2017 STRATEGIC PLAN

HOWARD COUNTY
ECONOMIC DEVELOPMENT AUTHORITY
Grow. Here's how.

Vision

Howard County, Maryland will be widely recognized as the best place in the U.S. to live, work, and operate a business.

Mission

The mission of the Howard County Economic Development Authority (HCEDA) is to be a catalyst for economic growth and stability in Howard County.

HCEDA Organization Description

The creation of the HCEDA is the key to successfully balancing the economic development goals and the quality of life values, which equals success for the residents and businesses of Howard County. The purpose of the Authority shall be:

(A) To perform an essential public function in assisting Howard County, Maryland (the "County") by promoting and enhancing the economic welfare of the County, including the following:

(1) Develop and implement an Economic Development Plan for the County and to update the Plan annually;
(2) Promote economic development, relieve conditions of unemployment, and encourage new job creation in the County;
(3) Encourage the location of new industry, commerce and business for a balanced economy in the County;
(4) Assist in the retention of existing business and industry in the County and increase its commerce;
(5) Encourage the retention, location, expansion, and new development of the businesses owned by minorities, women, veterans and persons with disabilities in the County; and
(6) Generally promote the economic health, welfare, and quality of life of the residents of the County.

(B) In carrying out these purposes, the Authority shall be guided and governed by the adopted policies and General Plan of the County. All actions of the Authority shall be consistent with the County's policies and General Plan.

Board of Directors:

The Howard County Economic Development Authority reports to a private-sector-led Board of Directors. The Board has fiduciary oversight and is responsible for strategic direction of the HCEDA.

Joseph J. Mezzanotte **(Chair),** Partner, Whiteford Taylor & Preston L.L.P.
Elaine Brown **(Vice Chair),** Chief Financial Officer, Applied Defense Solutions
Richard Kohr, Jr. **(Secretary/Treasurer),** Chief Executive Officer, Evergreen Advisors
William E. Erskine **(Past Chair),** Principal, Offit Kurman
Timothy J. Collins, Chief Government Relations Officer, JHU Applied Physics Lab
Barry C. Curtis, President, Best Fence, LLC
Cyndi Gula, Co-Founder, Gula Tech Adventures
Milton Matthews, President, Columbia Association
Charles Phillips, Senior Vice President, KCI Technologies
Steve Snelgrove, President, , Howard County General Hospital
William Stone, President, Mobern Lighting
Catherine M. Ward, Senior Vice President, Corporate Office Properties Trust
Andy Weinrub, Chief Executive Officer, Vytex Windows

Community Stakeholders:

The Howard County Economic Development Authority asked a group of key stakeholders from across the county to participate in the strategic planning process. Using their different perspectives of the county and the needs of businesses here, we developed a more well-rounded plan that would better direct the organization for the years to come.

Abbey Glassberg, Associate, NAI/KLNB
Rob Freedman, Senior Vice President, JLL
Dr. Renee Foose, Superintendent, Howard County Public School System
Dr. Kate Hetherington, President, HC Community College
Matt Lee, CEO, FASTech, Inc./MD
Martha Clark, Owner, Clark's Elioak Farm
Beverly White-Seals, President & CEO, The Community Foundation
David Tohn, CEO, BTS Solutions
Bruce Harvey, President, Williamsburg Homes LLC
Greg Fitchitt, Vice-President, Howard Hughes
Kirk Couser, CEO, NextLogik
Chuck Cullen, General Partner, Grotech Ventures
Leonardo McClarty, President & CEO, Howard County Chamber of Commerce
Jaykant Parekh, President, KloudData, Inc.

Howard County Staff

The Howard County Economic Development Authority requested that select members of the Howard County Government participate in the process to help lend their vision from the public sector. Through their intimate knowledge of the local government they were able to help provide guidance to the organization regarding the strategic plan and its benefit to the county.

Jeff Bronow, Chief of Division and Research, Department of Planning & Zoning
Jim Irvin, Director, Department of Public Works
Valdis Lazdins, Director, Department of Planning and Zoning
B. Diane Wilson, Chief of Staff, Executive Office
Jahantab Siddiqui, Deputy Chief of Staff, Executive Office
Holly Sun, Budget Administrator, Executive Office
Francine Trout, Human Services Manager, Workforce Development

Executive Summary

The Howard County Economic Development Authority (HCEDA) is tasked with producing a strategic economic development plan for the county every five years. The strategies in this 2017 plan were put forth by a steering committee of county leaders based on an in-depth situation assessment (research) and an associated set of key findings that provided a portrait of the county's current situation and broader national and global trends.

Five Strategies

The key findings from the situation assessment led directly to the creation of five strategies that will serve as the anchors for HCEDA activities over the next five years:

Lead with Robust BRE

Make business retention and expansion (BRE) the primary anchor of the HCEDA's efforts to better ensure that existing local firms fulfill their potential to deliver job growth and sustained economic health.

Cultivate Strategic Business Attraction Opportunities

Manage a highly effective business attraction program through a focus on strong relationships and excellence in fulfillment service.

Unleash the Potential of Innovation

Create spaces that act as magnets for entrepreneurs and innovative firms and facilitate valuable connections to funders, mentors, and markets.

Prioritize Research and Messaging

Develop and maintain a base of sophisticated market intelligence to establish the HCEDA as an authority on the local economy and provide a platform for all of the HCEDA's services and marketing.

Dedicate Resources for Special Projects

Proactively set aside staff capacity and resources to address a limited set of short-term special projects that emerge unexpectedly, but consistently.

Influence and Support

In addition to the five strategies, the plan calls for HCEDA to participate in well-grounded narratives that influence and support priorities that are critical to the county's economic growth and competitiveness, which fall outside the control or role of the HCEDA. An example of this is the economic impact analysis that was done for the Downtown Columbia plan. This role is vital because HCEDA is charged with creating and implementing this plan for the entire county, not just for the organization. In this role, HCEDA will provide the economic lens, or the business case, for a focus on key priorities, such as place making, transit, workforce, and quality of life. These narratives will be designed to support the work led by partner organizations, such as the Department of Planning and Zoning, the Howard County Chamber of Commerce, Howard County Public School System, and Downtown Columbia associations.

Introduction

The HCEDA is tasked with producing a strategic economic development plan for the county every five years. Each updated plan proves valuable because there are always new and unforeseen changes in a five-year span that demand fresh responses. Some things have not changed since the last strategic plan was produced, including Howard County's extremely competitive position and the factors that make it stand out relative to its peers across the U.S. There have, however, been major changes in the national economic development landscape. These shifts threaten Howard County's current standing and any economic development organization (EDO) that does not strategically respond. We have arrived at an inflection point where business attraction is losing steam due to a nationwide (and likely permanent) decline in the size and number of new projects, globalization has taken root, industries are being created and upended by innovation, and talent is gravitating towards more dynamic and energized urban settings.

The implication of this inflection point is that EDOs have a choice to either dedicate even more resources to aggressive external marketing in an effort to improve business attraction 'wins' (that are increasingly scarce), or to reimagine their roles and embrace a wider spectrum of strategic activities. This plan enables the HCEDA to go forward with a strategic response that maintains existing business attraction efforts while placing much greater emphasis on business retention and expansion and innovation. This will require increased outreach; engagement and relationship building with local firms; greater alignment of state, regional, and county economic development efforts; and more direct and continual interaction between the HCEDA and county agencies.

The 2011 strategic plan was laid out around four themes: knowledge community, connected community, reinvent community and innovation community. Together these themes and their related tactics were designed to drive towards improved quality of life and economic development. While that strategy proved effective, the HCEDA board determined that this version must result in a strategic plan with outcomes that can be more easily tracked and evaluated and a much clearer definition of the specific role of the HCEDA in driving the county's broader economic development agenda.

This 2017 plan is organized differently as a result of this directive and the need to respond strategically to the major shifts taking place in economic development. The primary objective is to act on unique advantages, and to mitigate rising threats, in an effort to ensure Howard County secures and builds onto its competitive economic position. It is also intended to make the best and highest use of existing, but limited, HCEDA staff and resources.

The result is a plan that is no longer organized by high-level themes, but instead by a set of five distinct strategies that are most critical to economic growth in today's marketplace and that the HCEDA can best drive and control. For those topics that are vital to the county's economic health and growth, but that fall outside the established responsibilities of the HCEDA, there will be a complementary HCEDA approach related to influencing and examination. Through its ongoing research and on-the-ground company interactions, The

HCEDA will develop the business case for key topics, such as place making, transit, workforce, and quality of life. The HCEDA's role is to organize this information and share this with partner agencies, such as the Department of Planning and Zoning, Howard County Chamber of Commerce, Downtown Columbia associations and other stakeholders to provide an economic lens through which to evaluate and inform key initiatives and priority projects.

Situation Assessment Process

The situation assessment serves as the foundation of the strategic plan. Its purpose is to establish Howard County's strengths and weaknesses and to identify a set of disruptive trends that may impact its competitive position in the future (and in some cases are already having a major impact).

The situation assessment is comprised of two main components. The first is a rigorous analysis of a large set of data, primarily from federal government sources, that establishes Howard County's (and the Baltimore and Washington region's) position on a number of key metrics relative to a set of peer counties and regions. These metrics include topics such as employment and unemployment, demographics, education, industry specializations, commuting and land use patterns. Howard County is compared to 20 top performing peer counties nationwide and a set of seven local counties in the Baltimore-Washington region, and the Baltimore and Washington metro areas are compared to the 25 largest metros in the U.S.[1] The second component is an extensive review of ongoing trends and how other regions and EDOs are responding. Many of these trends – such as urbanization and development patterns, global growth dynamics, and the suburbanization of poverty, are not captured in standard federal datasets, but have significant implications for Howard County's competitive position and its economic development strategy.

The situation assessment was presented in detail to a steering committee that represented a broad range of stakeholders and interests in Howard County. Committee members included all members of the HCEDA board, companies, associations, not-for-profits, academics, social services organizations, planning and other government agencies, and research institutions. Input from the committee was used to sharpen and add local perspective to the situation assessment. This research process culminated in the creation of eight key findings, which drive the five core strategies and the priorities that the HCEDA will work to influence and support. These findings are detailed in the following section.

In addition to the eight key findings, the situation assessment surfaced one critical overarching theme that does not correlate to a specific strategy but instead provides important context for all of the strategies. The theme is the importance of a regional perspective. Howard County is positioned at the center of the nation's fourth largest metropolitan area and its economic health is tightly interwoven with the Baltimore-Washington region. Seventy four percent of employees in Howard County-based businesses commute in from outside the county, making the county a regional business

[1] All core situation assessment data is available online and is not directly referenced in footnotes: www.dropbox.com/sh/4ghine492xgn66d/AAAczDoV5qHGMi69FeJy4dcza?dl=0

center. At the same time, 71% of current residents work outside the county, revealing Howard County as a strong residential center. Further, while the county is home to few actual federal government jobs, it is home to a large number of government contractors and is highly dependent on high tech federal jobs at Fort Meade/NSA and others in neighboring counties. In designing and carrying out the tactics in this strategic plan, the HCEDA must keep in mind that Howard County is not its own economy, but part of a broader regional economy.

Eight Key Findings

From the comprehensive set of data and market intelligence assembled for this strategic plan, eight key findings emerged. These findings lead directly to the five strategies and other focus areas outlined in the plan.

1. Howard County's strong performance faces real threats

Howard County has a set of highly unique advantages that drive strong economic performance, but rapidly changing market forces threaten its position.

Howard County has arguably been one of the best performing suburban U.S. counties as it relates to economic development. Its central location between the Washington, DC and Baltimore metro areas provides residents with ready access to a rich and diverse base of jobs. Among 21 of the highest performing suburban counties in major U.S. metro areas compared for this strategic plan, Howard County ranks second in median household income ($110,133), first in percent of population with a college degree (60.4%; over twice the U.S. average of 29.5%), and among the top four for Black and Asian share of total population. Combine this affluence and diversity with a nationally ranked school system and a well-planned and managed community, and the result is a county that has established itself as an incredibly strong residential and business magnet.

Professional and Business Services Employment, by County 2014		
Rank	County	% of Total Employment
1	Howard County, Maryland	26.5%
2	Somerset County, New Jersey	24.9%
3	Williamson County, Tennessee	24.8%
4	Johnson County, Kansas	22.8%
5	Cobb County, Georgia	22.0%
	Average, Peer Counties	17.8%
Source: Bureau of Labor Statistic QCEW 2014		

Among the 21 U.S. peer counties, Howard County has the highest concentration of employment in two distinct industries: professional, scientific, and technical services (PST services) and wholesale trade. The PST services industry, and related high wage jobs, is driven by the Johns Hopkins Applied Physics Lab and the large base of contractors established to serve the federal government, particularly related to nearby Fort Meade, the National Security Agency, and cyber security. Wholesale trade is driven by the county's location on the I-95 corridor in central Maryland, providing easy access to the region and population centers of the east coast.

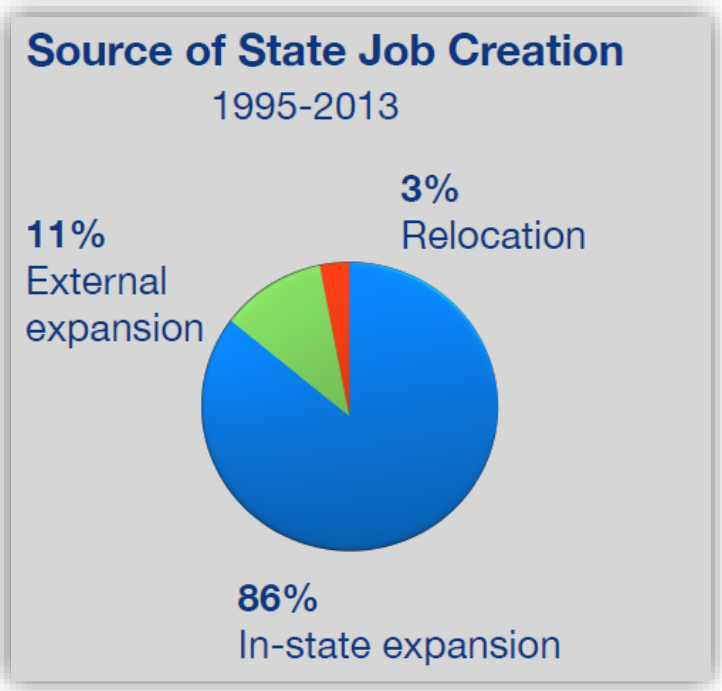
Wholesale Trade Employment, by County 2014		
Rank	County	% of Total Employment
1	Howard County, MD	7.8%
2	Cobb County, GA	7.1%
3	Somerset County, NJ	6.3%
4	Kane County, IL	6.1%
5	Johnson County, KS	5.7%
	Average, Peer Counties	4.7%
Source: Bureau of Labor Statistic QCEW 2014		

However, most of these advantages face looming and very real threats, implying the county will need to be more intentional and proactive in its overall economic development efforts just to maintain its current position. The county's talent and business base is threatened by rapidly shifting market preferences. As young (and even middle-aged) talent demonstrates the desire to live in more urbanized and transit-served areas, businesses are following them. Accessibility to jobs in the broader, increasingly congested region is threatened by lack of transit connectivity. And strengths in PST services are threatened by stagnation (and potential decline) in federal government spending. The Baltimore-Washington region also faces general headwinds, exemplified by income and home price growth that ranks near the bottom of the 25 largest U.S. metro areas in the post-recession period.

2. Economic development is experiencing major disruption

Economic realities, including a decline in the size and number of business attraction projects, are forcing EDOs to place greater emphasis on new approaches.

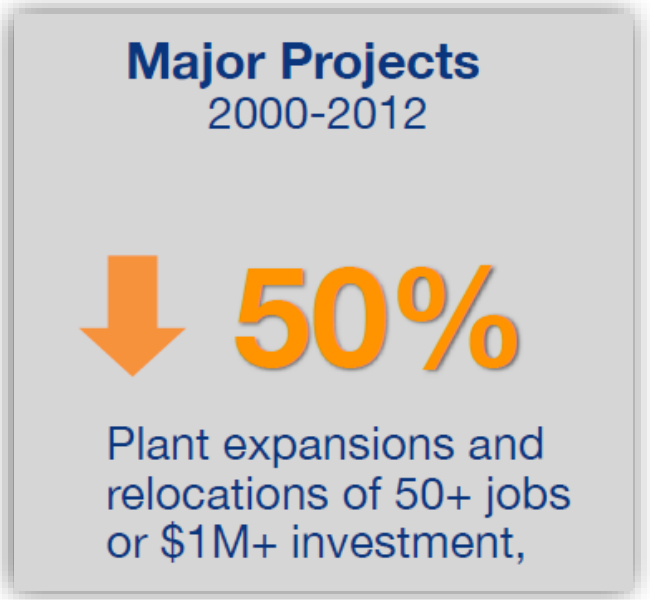
For the past several decades, economic development has largely become synonymous with business attraction, even though EDOs were often responsible for additional activities that remained under the radar. However, traditional business attraction efforts no longer deliver desired results, both nationally and in Howard County, challenging past norms, disrupting the field, and forcing EDOs to more strategically focus on new drivers of economic growth.



Source: Center on Budget and Policy Priorities

Business attraction was never the major source of job creation for most places, with studies revealing that typically only 3% of new jobs come from relocations and 11% from openings of new operations of firms based in other states. This means that, on average, 86% of job growth comes from startups and expansions of existing local firms.[2] However, over the recent decade (from 2000 to 2012), larger projects (50+ jobs or $10 million+ investment) have declined by over 50% in the U.S.[3] New projects are much more likely to be in the 20 to 40 job range. Steep competition among states and counties, for both the few large projects available and the more typical smaller projects, is leading to rising incentives to realize some visible 'wins'.

[2] Center on Budget and Policy Priorities, "State Job Creation Strategies Often Off Base", February 2016.
[3] Conway Data, Inc.



Source: Conway Data

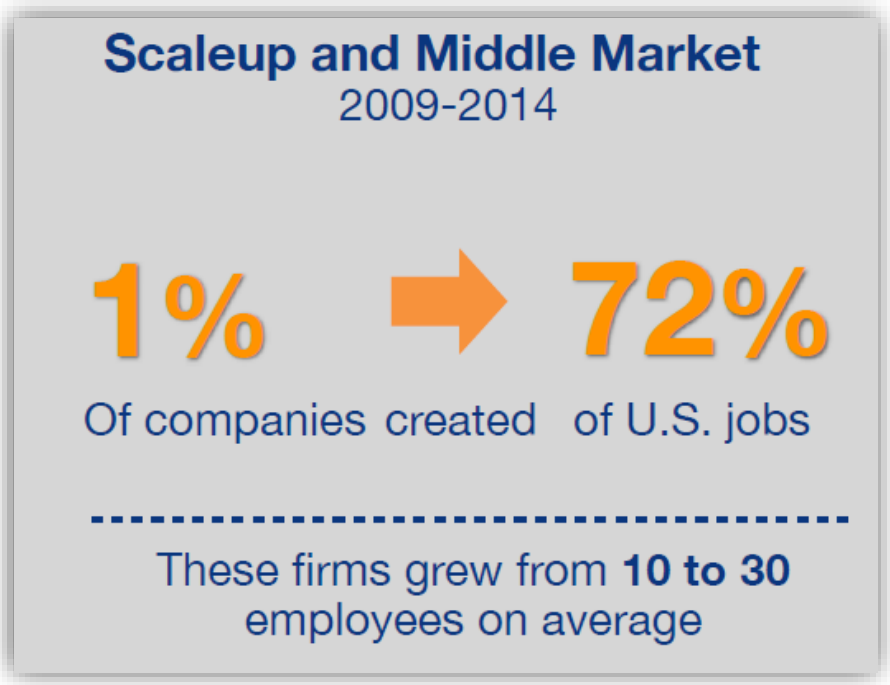
These realities are driving forward thinking EDOs to pivot and place greater focus on more significant drivers of growth, reimagine their roles, and clarify responsibilities among state, regional, and county players. They are placing primary focus on expansion and retention of existing firms (particularly in the middle market), reaching down to create environments and programs that are more conducive to startups and innovation, and working to capitalize on the increasingly global economy through exports and foreign direct investment (FDI). The links between place, transit, workforce and economic outcomes in a talent driven economy are blurring the lines between organizations (such as planning, chambers, state EDOs, etc.) responsible for focus on these areas.

These are nationwide trends that clearly have implications for Maryland, and local players are starting to respond. For example, the Maryland Department of Commerce has a new plan and a new leader, the Economic Alliance of Greater Baltimore has a new CEO and is pursuing new strategic initiatives related to innovation and FDI, and TEDCO hired a new CEO and is going through a strategic planning process, and Howard County is updating its strategic plan. Combined, these trends and activities imply the need for the HCEDA to determine its priorities, clarify its role, and more strategically coordinate with other organizations. It must create awareness of its services and build trust in its capacity to deliver high-quality assistance to existing businesses. It must hone in on what it is positioned and designed to do well and determined where it can support and align with other efforts and organizations to achieve maximum impact.

3. The middle market is the sweet spot

Middle market firms represent the majority of job growth, global activity, and expansion potential that can be influenced by EDOs, but they are often overlooked.

Middle market firms, especially those that are scaling up into the lower end of the middle market, generate the majority of economic growth. Between 2005 and 2010, 1 percent of firms created 72 percent of net new jobs in the U.S. (and 12 percent of firms created 100 percent of net new jobs).[4] On average, the firms within this top 1 percent grew from 10 to 30 employees over this time period. Typically this growth happens when firms are still young – usually within their first five years of existence. Further, firms of this size represent the majority of business attraction projects nationwide. While there isn't consistent data on this point, EDOs nationwide, including HCEDA, confirm that most projects (including foreign investments) are in the range of 20 to 40 jobs.



Source: Gary Kunkle analysis of NETS data

The middle market lacks an official definition, but is generally said to encompass firms with between 20 and 499 employees or $10 million to $1 billion in revenue. Firms of this size are important due to their impact on regional job growth, but also because they are most responsive to the tools that EDOs have for business retention and expansion (BRE). The fact that they have grown past the startup phase – a relatively rare feat – signifies that they have high potential, but they often lack the internal capacity to achieve it. EDOs are increasingly focused on ensuring that successful startups continue to scale over time. Organizations that have typically focused on creating new firms are now offering "scale-up" support (see next finding). And EDOs are targeting middle market firms for assistance related to exports, mergers and acquisitions, succession planning, innovation, and productivity.

[4] Gary Kunkle, "Building Scale and Sustaining Growth: The Surprising Drivers of Job Creation", February 2013.

	Scaleup	Middle Market			
Industry	(10-19 employees)	Low (20-99 emp.)	Mid (100-249)	High (250-499)	Total Middle Market
PST Services	188	234	41	11	286
Other Traded	308	420	51	13	484
Total	496	654	92	24	770

Source: U.S. Census Bureau, County Business Patterns

In Howard County specifically, there are approximately 750 middle market firms in traded sectors (including manufacturing and professional services). In addition, there are another 500 in the scale-up phase. Howard County is particularly strong in the professional, scientific, and technical services industry, which accounts for nearly 200 scale-up firms and 290 middle market firms. Overall, firms with 20 to 99 employees accounted for the majority of Howard County employment growth from 2004-2014.

4. Howard County lacks a sense of 'place' to anchor innovation

Howard County is at the center of a rich research and innovation corridor; however, its ability to capitalize on this opportunity is hindered by lack of a physical environment that is conducive to innovation.

Howard County has legitimate aspirations to be a nationally relevant hub of entrepreneurship and innovation based on its superior talent base and strong cluster of technology firms. However, as with many suburban jurisdictions, it lacks the true sense of 'place' that denser and energized urban settings already have and are actively working to reinforce. In addition to working directly with firms, EDOs – in collaboration with developers, and planning agencies – are working together to create spaces that are designed to act as magnets for high-potential startups and enable them to interact with their peers and funders. They are investing in cutting-edge incubators and planning innovation districts to create dynamic physical environments that are most conducive to innovation clustering.

Across the U.S., incubators are multiplying rapidly, as are the number of startup accelerators, which grew 50 percent per year from 2008 to 2014. Howard County's incubator, the Maryland Center for Entrepreneurship (MCE), is hindered in its ability to appeal to high potential startups because it is in a sub-standard facility hidden amidst scattered office parks. This makes it increasingly difficult to compete with the growing number of incubators being established in popular, highly visible spaces, such as City Garage in Baltimore City.

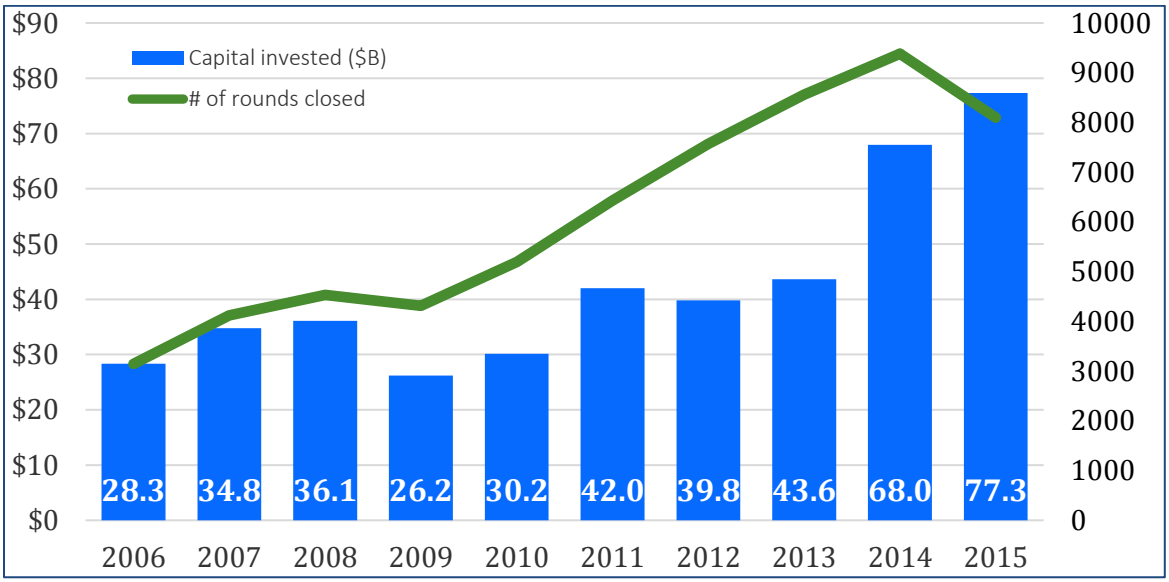
Source: Brookings Institute

Beyond incubators and accelerators, cities are planning and creating innovation districts, defined by The Brookings Institution as "geographic areas where leading-edge anchor institutions and companies cluster and connect with startups, business incubators, and accelerators." Some of these are anchored by major research universities, such as Tech

Square in Atlanta adjacent to Georgia Tech, or organized around specific industries, such as the Global Water Center in Milwaukee. Many were started recently and have grown quickly, such as the Cortex district in St. Louis. This trend is spreading beyond urban cores. Research Triangle Park, for example, is carrying out its first major redevelopment project to create a denser, more dynamic central area.

In response to market realities, EDOs nationwide are also focusing more intently on identifying and elevating the small number of high-growth firms that are likely to have a transformational impact on the local economy. Though small firms are often celebrated as the drivers of job creation, it is actually age – not size – that is most important: a small subset of young, high-growth firms are responsible for a disproportionate share of growth.

A growing number of startups have this potential. The "quality" of startups is increasing, as measured by the share that are in high-growth industries and have intellectual property and the propensity to seek equity financing. Based on this definition, the cohort of startups founded in 2014 had the highest growth potential of any cohort since 2000, and the second highest since 1988.[5] Accordingly, U.S. venture capital activity is increasing, with total investments of $77 billion in 2015 compared to a pre-recession high of $36 billion in 2008.[6]



Source: Pitchbook 2015 Annual U.S. Venture Industry Report

However, despite these positive signs, there is a countervailing trend: fewer startups are reaching the scale at which they meaningfully impact growth and job creation. Startups founded in 2005 were only 25 percent as likely as those founded in 1996 to have a growth event (IPO or high-value acquisition) within their first 6 years.[7] Even as the potential of startups has risen, the share that is succeeding has declined. Furthermore, companies owned by women and minorities have struggled to access the ecosystems that support

[5] Jorge Guzman and Scott Stern, "The State of American Entrepreneurship: New Estimates of the Quality and Quantity of Entrepreneurship for 15 US States, 1988-2014", NBER, 2016.
[6] Pitchbook, 2015 Annual U.S. Venture Industry Report.
[7] Guzman and Stern

growth and innovation – they are approximately 20 percent less likely to receive venture capital than companies owned by white males.[8]

In response to these trends, EDOs are shifting their entrepreneurship and innovation programs. Rather than focusing exclusively on firm creation, they are supporting startups as they scale into the middle market by helping them engage with corporate clients, identify potential M&A partners, and tap into export markets. In addition, they are working more intentionally to target and support women- and minority-owned firms.

This all matters to Howard County because startup rates are relatively low in the region – the Baltimore and Washington metro areas rank 23rd and 18th of the top 25 metros for startup rates – and other jurisdictions are acting aggressively to capture their share. The state is becoming more intentional about creating a culture of entrepreneurship, fostering technology commercialization, and forming new incubators. Some of the best examples (JHU Fast Forward, City Garage) are in downtown Baltimore. This is a challenge for Howard County because firms and talent are highly mobile. Of the MCE's 2010 incubator class, 75% are still in business of which 90% are operating in Maryland and 50 percent are located in Howard County. Firms are lured away by better places and spaces, accelerators, access to funders, and financial incentives in other jurisdictions.

Source: Brookings Institute

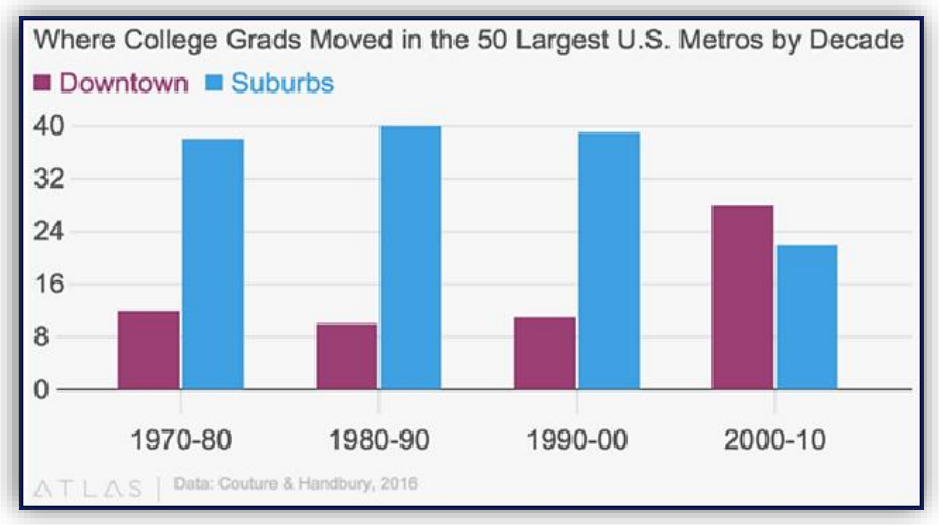
There are, however, plans being considered that could address some of this need, including increasing the density of downtown Columbia, moving the MCE to a more compelling location, and ultimately remaking the Columbia Gateway Business Park as an innovation district.

[8] John Paglia and Maretno Harjoto. "The Effects of Private Equity and Venture Capital on Sales and Employment Growth in Small and Medium Sized Businesses", Journal of Banking and Finance, 2014.

5. Dense urban cores are once again magnets for talent and firms

Talented workers are moving to urban centers, including Baltimore and Washington, bringing jobs with them and forcing suburban areas like Howard County to pursue higher-density residential and commercial development.

During the decade from 2000 to 2010, a significant change occurred in migration patterns of highly educated professionals. For the three decades from 1970 to 2000, college graduates between the ages of 25 and 44 moved to suburbs at three to four times the rate of downtowns.[9] Beginning in 2000, however, this trend reversed. In the 50 largest metro areas, the growth rate of the college-educated population was three times higher in downtowns than in suburbs. The central cities of these 50 metro areas accounted for just 5 percent of the total population, but 24 percent of the growth in college-educated 25-34 year olds and 12 percent of the growth in college-educated 35-44 year olds. These trends seem set to continue. A 2013 survey by the Urban Land Institute found that 38 percent of the millennial (ages 18-34) population expressed a desire to live in a medium or large city, compared to 24 percent of baby boomers.



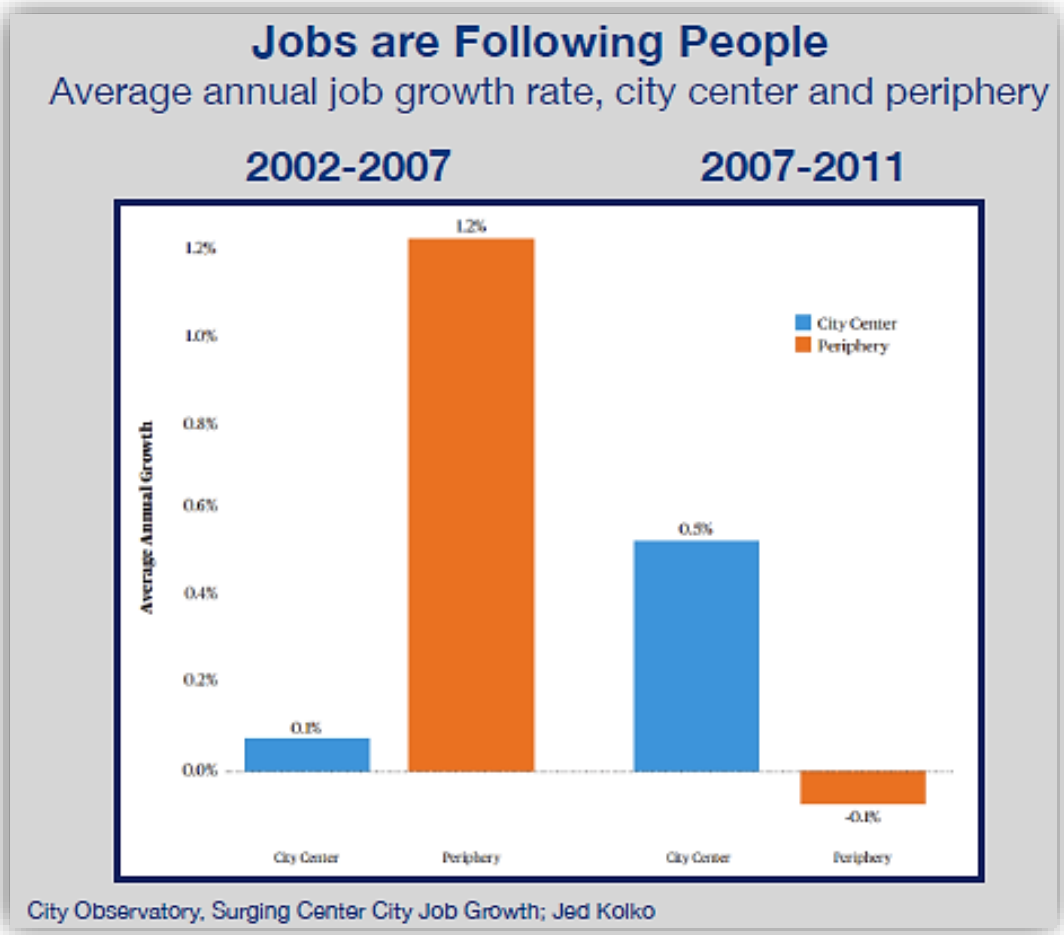
Source: Couture and Handbury, "Urban Revival in America, 2000-2010", 2016

This shift is largely motivated by the desire to be near urban amenities, but it is having significant impacts on the distribution of job growth. From 2002 to 2007, jobs in suburban areas grew at over 10 times the rate as city centers (0.1 percent versus 1.2 percent), but from 2008 to 2011, job growth in city centers increased substantially (to 0.5 percent) while suburban areas lost jobs.[10] Firms are moving from suburban office parks to downtowns in order to attract and retain talented workers.

The impacts of these trends are readily apparent in Baltimore and Washington, which rank 4th and 10th among the 100 largest metro areas for the increase in 25-34 year-old college graduates in city center neighborhoods between 2000 and 2010 (92 percent and 75

[9] Victor Couture and Jesse Handbury, "Urban Revival in America, 2000 - 2010", 2016.
[10] Joe Cortright," Surging Center City Job Growth", City Observatory, 2015.

percent growth, respectively). Billions of dollars of investment is pouring into downtown Baltimore, including projects like Harbor Point ($2.7 Billion), Canton Crossing ($1 Billion), and the 50-acre Port Covington development. To compete, suburban areas nationwide (Research Triangle Park and Silicon Valley) and locally (Towson, Silver Spring, Reston, and Columbia) are pursuing higher-density development in existing growth corridors.

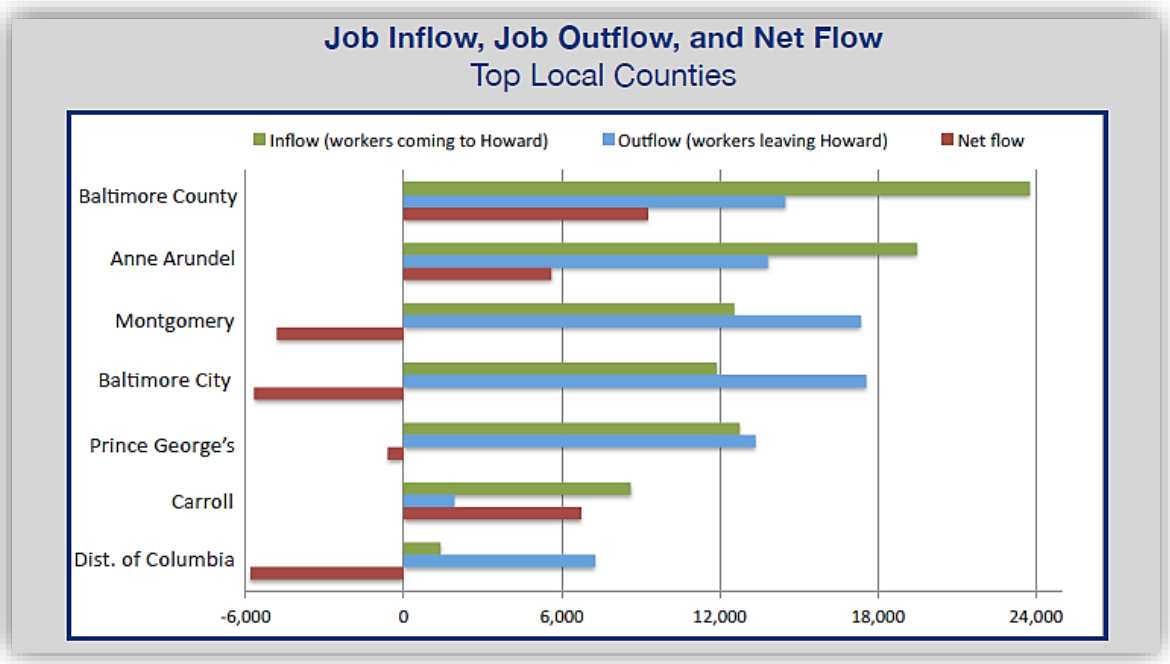


Compared to most peer regions, Howard County is very well positioned to respond to market demand for dense, amenity-rich places because control and authority over key growth corridors is relatively highly concentrated. For example, four organizations own 74 percent of the land in Columbia Gateway. If these key actors can agree on a set of land use priorities, they could be acted upon with minimal friction. Despite the potential in areas like Columbia Gateway, however, steering committee members pointed out those long-term residents tend to strongly oppose densification elsewhere.

6. Transit connectivity is a major gap

Howard County is not well connected by transit to key job centers in the Baltimore-Washington region, but there are limited plans and a shortage of funding to address this gap.

As discussed in the introduction, Howard County is a business and residential center that is deeply intertwined with the broader Baltimore-Washington region. Firms based in Howard County draw workers from across the region, and residents of Howard County work at firms across the region. Howard County is the most reliant on cross-county flows of workers of all of the 21 peer counties analyzed for this situation assessment. Despite this reliance, Howard County lacks strong transit connections to clusters of jobs and throughout the region, or to key transportation nodes like MARC (which passes through the eastern edge of the county) and BWI. While its position at the center of the Baltimore-Washington mega-region is potentially a major advantage, Howard County could become perceived as peripheral to both metro areas if it remains disconnected.



Source: U.S. Census Bureau, OnTheMap and LEHD Origin-Destination Employment Statistics

Transit is particularly important to Howard County's economic development prospects because it is a major priority of the millennial workforce that companies are fighting to attract and retain. A survey by the Urban Land Institute found that 39 percent of the 18-34 year-old population said that transit is a top priority when buying a home, compared to 25 percent of the 35-47 year-old population.

Source: Urban Land Institute

Other regions and states have made this a top priority and are making major investments in regional transit systems. They are doing so with relatively little federal government support, however, as the Federal Highway Trust Fund (which accounts for 25 percent of U.S. mass transit funding) is facing a shortfall of $121 billion between 2020 and 2026. Recent light rail expansions in the Denver, Minneapolis-St. Paul, and Portland regions received no more than 50 percent federal funding. (The Minneapolis-St. Paul project received 40 percent of its total funding directly from counties.)

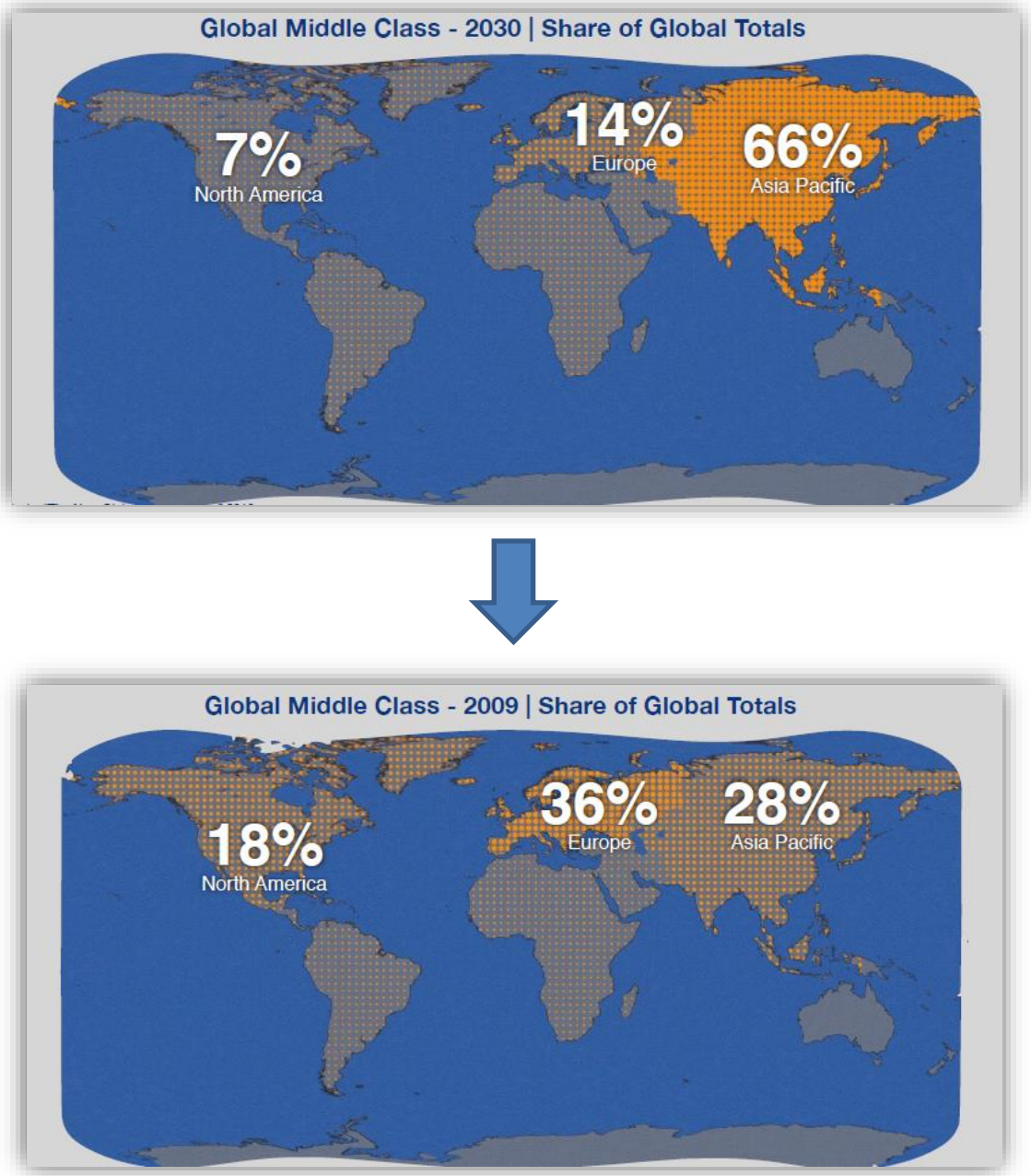
The state of Maryland has not signaled a strong commitment to transit or a vision for future investments that would be transformative for Howard County. While the Purple Line expansion of the Washington Metro system was approved, Baltimore's Red Line was shelved and no other major projects are currently being discussed (one exception is the Northeast Maglev rail line, which is many years from construction and may stop at BWI but not in Howard County). Given this context, Howard County may need to rely on transit projects that it can fund itself, such as expanded Bus Rapid Transit service.

7. Global engagement has become a local imperative

The reality of globalization heightens the importance of engaging with firms and clusters with global potential, but these efforts in Maryland have not been coordinated between state, regional, and county EDOs.

Traditionally seen as the province of federal and state governments, global engagement has become an imperative for counties and cities. Every firm is already affected by globalization in some form, and both short- and long-term projections confirm that the global economy will only become more pervasive. From 2015 to 2020, 81 percent of economic growth is projected to occur outside the U.S. Between 2009 and 2030, the North American share of the global middle class will fall from 18 percent to 7 percent, while over the same time period the share in the Asia Pacific region will expand from 28 percent of the total to 66 percent.[11] These shifts point to major changes in purchasing power (already apparent in the growing share of U.S. GDP that comes from exports), but also to a rise in competition from developing nations. This is evident in data on foreign direct investment (FDI), which shows that the U.S. attracted 45 percent of global capital investment in 1984 but only 12 percent in 2012.[12]

[11] Homi Kharas, "The Emerging Middle Class in Developing Countries", OECD Development Center, 2010.
[12] Bureau of Economic Analysis, International Economics Accounts

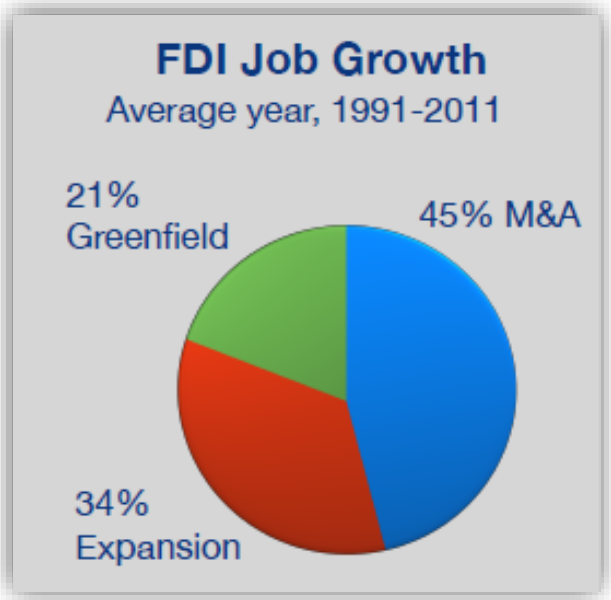


Source: Kharas and Gertz, "The New Global Middle Class" 2010

Both FDI and exports bring important benefits to firms beyond new jobs and international sales. For firms, global engagement enhances innovation, provides the scale needed to undertake expensive R&D, offers opportunities for diversification and capital infusions, and generally promotes sustainability and competitiveness.

These trends highlight how important it is for EDOs to understand which local firms are globally engaged or are likely to become so, either through FDI or exports. These efforts are often scattershot or targeted at the wrong firms. For example, 87 percent of FDI capital inflows to the U.S. come in the form of mergers and acquisitions (M&A), versus 13 percent

for new (greenfield) investments.[13] While M&A does not create immediate new jobs, it opens the possibility for job growth and capital infusions in the future. EDOs are well positioned to help local firms make the case for investments from the foreign parent, but few EDOs are even aware of which local firms have been involved in foreign M&A deals. Similarly, there are several export assistance programs available in most jurisdictions, but they often are not targeted specifically at the middle market firms that have the capacity to invest in long-term global expansion efforts.



Source: Brookings Institute

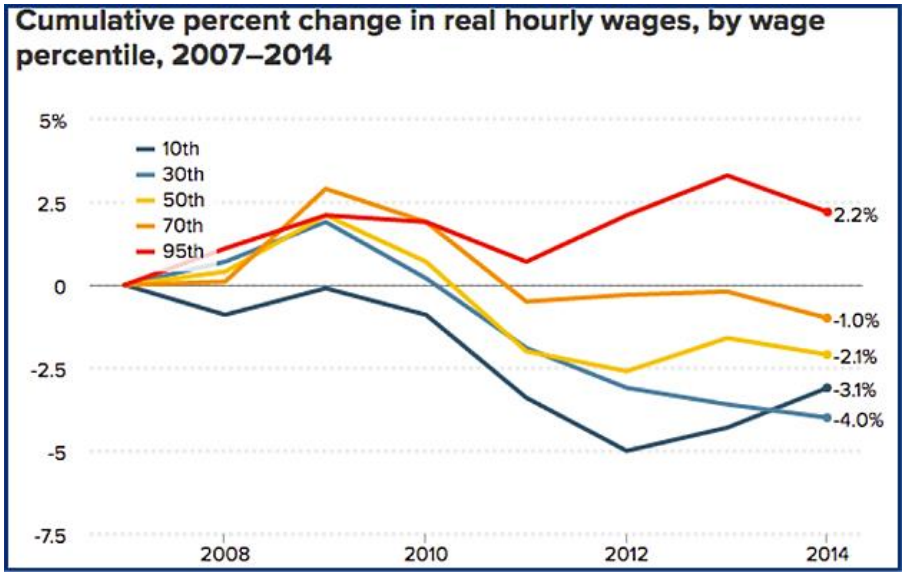
The imperative to engage with the global economy is especially strong in the Washington and Baltimore metro areas, since both underperform on exports and FDI. Washington and Baltimore rank 90th and 95th of the top 100 metro areas, respectively, in terms of the share of the economy that comes from exports. In terms of the share of local jobs in foreign-owned firms, Washington ranks 34th and Baltimore ranks 60th. Recently, however, both metro areas have assembled teams from across numerous EDOs to create plans to boost and coordinate efforts around both exports and FDI. These plans will require the active engagement of counties in identifying firms with global potential and connecting them to services.

[13] Bureau of Economic Analysis, International Economics Accounts

8. Economic gains have not been widely shared

Wage stagnation and the suburbanization of poverty are nationwide trends impacting even wealthy regions like Howard County, forcing many EDOs to confront a new set of deeply entrenched issues beyond economic growth.

The poor and middle class bore the brunt of the Great Recession, and have benefitted far less from the subsequent expansion than the wealthy have. From 2007 to 2014, real hourly wages fell for every segment of the population except the wealthiest five percent (a trend that only recently began to reverse).[14] With the economy as a whole back to a pattern of consistent growth, more attention is being paid to the need to extend economic opportunity to more people. While EDOs have traditionally been held responsible for economic growth alone – and not the way the growth was distributed – they are increasingly being asked to play a role in addressing economic inequities.



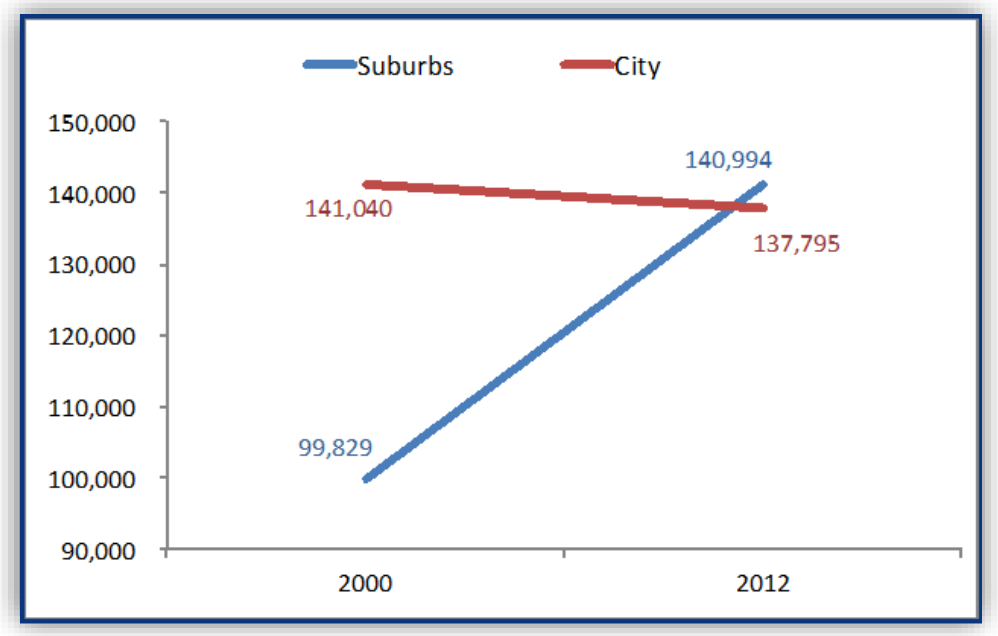
Source: EPI analysis of Current Population Survey Outgoing Rotation Group Microdata

Suburban areas are becoming the front lines for such efforts. Long considered an urban issue, poverty in the U.S. has been growing faster in the suburbs than in cities since 2000. Around that year, for the first time, suburbs became home to more than half of poor Americans.[15]

The suburbanization of poverty is a powerful force even in regions that have very affluent suburbs, including Baltimore and Washington. While the Baltimore metro area's poverty rate of 11 percent is lower than all but three of the 25 largest metros, the poor population in Baltimore's suburbs grew from approximately 100,000 to 141,000 between 2000 and 2012.[16] During that time, the share of the region's poor population that lives in the suburbs grew from 41 percent to 51 percent. In Howard County specifically, poverty is less

[14] Elise Gould, "2014 Continues a 35-Year Trend of Broad-Based Wage Stagnation", Economic Policy Institute, 2015.
[15] Alan Berube and Elizabeth Kneebone, "Confronting Suburban Poverty in America", Brookings, 2014.
[16] Berube and Kneebone

widespread than most other counties in the region, but is still growing rapidly: the poverty rate in 2014 was relatively low, at 6.1 percent, but has doubled from a rate of just 3.4 percent in 2005. While poor residents in suburbs often have access to better schools and housing than the urban poor, those in the suburbs also face unique challenges including long commutes, unreliable public transportation, and lack of social services.

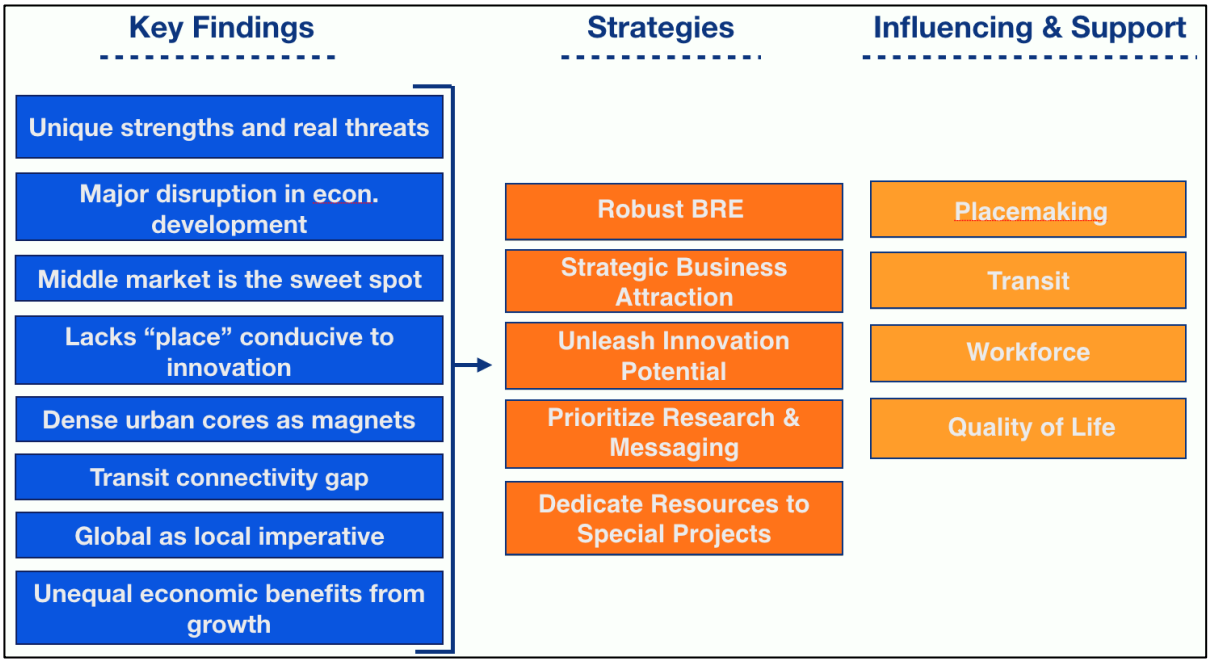


Source: Alan Berube and Elizabeth Kneebone, "Confronting Suburban Poverty in America." Brookings, 2014

For EDOs, embracing the goal of inclusive growth requires fundamental shifts in thinking and practice. Rather than aiming to recruit and retain only high-wage jobs, for instance, EDOs may have to target industries that offer the greatest opportunity (in terms of wages and upward advancement potential) for residents of different education levels. As a whole, there are few established "best practices" for EDOs to engage on this topic. Most efforts are nascent and focused on specific topics, like minority entrepreneurship, job training, or small business finance.

Strategies – Introduction

To enable the HCEDA staff and Board to evaluate progress over the course of the next five years, the activities in this plan are separated into two distinct categories. There are five core strategies, over which HCEDA has direct control. In addition, there are four primary areas of "influencing and support", which involve making the case for outcomes that are important to Howard County's economy but relate to activities over which the HCEDA does not have direct control.



Five HCEDA Strategies

1. Lead with Robust Business Retention and Expansion

Make business retention and expansion (BRE) the primary anchor of the HCEDA's efforts to better ensure that existing local firms fulfill their potential to deliver job growth and sustained economic health.

Expansion of existing firms account for 86% of new jobs in states nationwide. This proves true in Howard County, where the vast majority of HCEDA projects are expansions. Further, firms in the middle market (20-499 employees or $10 million to $1 billion in revenue), represent the greatest potential for growth and the segment where EDOs can have the most significant impact. These firms desire to grow (and often face regular challenges), however, they need connections, funding, and technical assistance (related to exporting, financing, workforce, innovation, and other economic development services) to fulfill their potential.

Based on these facts, the HCEDA will prioritize and recognize BRE as the foundation of its economic development efforts. Not only will a robust and highly intentional BRE program result in greater success for existing firms, and cement their commitment to the county, but it will also provide a base of knowledge and information from which to support all other strategies (especially business attraction and research and messaging). A strong BRE program is, in essence, the foundation for success in business attraction. It will also allow the HCEDA to know the county's economy and firms better than anyone else, making the organization more effective and allow it to package and share this knowledge in support of key county priorities.

Tactics

- **Middle Market and Scale-up**: Over the next five years, place proactive focus on, and build relationships with, a portfolio of 125 high potential companies where HCEDA can have the greatest impact. Ten will be a rotating set of scale-up firms (group evaluated and adjusted each year) that are poised to 'take off'; 25 represent more established firms with over 250 employees, and the remaining 90 firms will be selected based on industry (e.g., professional, scientific and technical services), growth trajectory, and potential impact and fit with the county. Some portion of these 125 firms can (and likely will) be supported through other industry efforts, like Cyber. Engagement activities include one-on-one company site visits and interviews, focus groups around relevant topics, regular check-ins, and follow-up activities that connect firms to services and keep them informed of any relevant news or initiative.

- **Relationships:** Build relationships, trust, and awareness of HCEDA's value with both firms and local service providers. With firms, provide proactive, repeated follow-up (e.g., technical services and connections) with recently relocated, acquired, and expanding firms, including recent graduates of the incubator.

Strengthen pathways to identify opportunities and feed firms into related key services agencies (e.g., Commerce, TEDCO, U.S. Commercial Services, community colleges, and county agencies).

- **Research:** Maintain a superior base of knowledge on the county's firms, clusters, and economy through the BRE program and forward this market intelligence to 'research and messaging' (see strategy 4, page 35) to support all other strategies and outreach (e.g., influence and support for county priorities, such as placemaking, talent, and transit).

- **Global:** Mainstream a global perspective into all aspects of HCEDA work, including in BRE, to connect companies to export services and build relationships with local operations that are owned and controlled by a global parent (or that are prime candidates to be acquired through foreign merger and acquisition).

- **Cyber Industry:** Maintain a focused approach to the Cyber cluster by dedicating staff and resources to engage with existing firms, strategically connect with the regional cluster, and support ongoing expansion and attraction efforts.

- **Agricultural Marketing Program:** Continue to work with the farming community (355 existing farms) as their constant advocate on agriculture-related legislation and business development. Provide support related to zoning, permitting, business planning, financing, grant writing, locally grown initiatives, and diversifying farm production.

- **Technical Assistance:** Dedicate staff and resources to facilitate professional response to any incoming request, question, or need for connection from any firm or source, regardless of size, industry, or geographic location. This includes working with local firms dealing with issues related to regulations, which is an area of frequent frustration and need.

Small and Minority Business: ***Because 85 percent of the Howard County Business composition has fewer than 25 employees, specific emphasis should be placed on serving this market.***

2. Cultivate Strategic Business Attraction Opportunities

Manage a highly effective business attraction program through a focus on strong relationships and excellence in fulfillment service.

Perhaps the most significant key finding for this strategic plan is that major attraction projects in the U.S. (50+ jobs or $10 million or more in investment) are down by 50% over the decade from 2000-2012. And the vast majority of projects that do arise are fairly small – 20 to 40 jobs, on average. This (likely long-term) shift is also proving true in Howard County. Further, most of the firms considering new investments have already decided on the region and are picking between inherently similar places. In 2015, only one of Howard County's business attraction projects was a bi-coastal competition and only one brought in over 100 jobs.

Therefore, given limited resources, the need to place greater emphasis on new opportunities for economic growth (see other strategies), and that resource intensive direct sales outreach at the county level proves ineffective, the most strategic move is to focus on: 1) building relationships with those who are consistent or potential sources of strong leads for Howard County, and 2) ensure the HCEDA is always prepared to respond with first-rate fulfillment and customer service that differentiates Howard County from competing alternatives and provides strong potential to win identified projects.

Tactics

- **Relationships**: Maintain and build relationships with those organizations and individuals that are consistent or potential sources of business attraction leads and referrals, such as the Maryland Department of Commerce (Commerce), the Economic Alliance of Greater Baltimore (EAGB), business and industry cluster associations, site selection consultants, commercial real estate brokers, developers, lawyers, previous business clients, and others. Rely on Commerce and EAGB to be external messengers for the region and continue to focus limited external marketing on highly targeted events, such as those related to Cyber and Retail.

- **Fulfillment**: Continue to provide excellence in fulfillment of leads and transactions brought to the HCEDA by the referrers outlined above. The HCEDA receives high quality leads and respect from its partners because it has earned their trust based on consistent professional performance on past client engagements. In this regard, professional fulfillment will lead to improved relationships, which will result in more leads.

- **Make the Business Case**: Use market intelligence from BRE (local company input) and research to build strong and compelling narratives for new companies interested in investing in Howard County. Special focus should be placed on the middle market and professional and technical services (with an emphasis on Cyber). Knowing the market and key industries intimately is a critical way to differentiate

Howard County and the HCEDA from other local counties and EDOs.

- **Inclusive Jobs**: Cultivate, serve, and celebrate business attraction prospects (such as in wholesale trade) that are attracted to Howard County and that provide good jobs for those residents without college degrees. Up to now, the HCEDA directive has been to target jobs and firms in high wage industries. However, to begin to provide jobs for county residents without college degrees, the HCEDA must move towards focus on attracting and maintaining the highest wage jobs within each 'band' of educational attainment. The average annual salary nationwide for jobs in Wholesale Trade, for example, is $55,000. While Howard County's college education attainment level is among the highest in the nation, a full 40% of residents lack a college degree. Industries such as wholesale trade, and back office and support jobs within firms in traditionally high-wage sectors (such as professional services), offer needed jobs for existing populations and help confront rising suburban poverty.

3. Unleash the Potential of Innovation

Create spaces that act as magnets for entrepreneurs and innovative firms and facilitate valuable connections to funders, mentors, and markets.

Business attraction activity is decreasing nationwide and there is growing evidence that small to mid-sized firms in the first five years of their existence are disproportionately responsible for job growth. The talented entrepreneurs that create such firms are moving to dense urban centers that provide opportunities for interaction with other firms, funders, and researchers. As a result, there is increasing competition among cities and counties nationwide to attract innovative, high-growth firms and entrepreneurs, particularly by providing highly programmed accelerators and incubators. In many cases these are being situated within dense, mixed-use areas or innovation districts anchored by major research institutions. This dynamic is true locally as well, with numerous new incubators being created (and rapidly filled) in Baltimore, and several burgeoning innovation districts being established.

Given these trends, the challenge for Howard County is to transform its Maryland Center for Entrepreneurship (MCE) incubator into a space that makes the best use of the area's assets, effectively competes with burgeoning urban areas nearby, and tests whether there is sufficient market demand for an innovation district. Because it is in a suburban district, the MCE will have to play a unique role relative to other startup spaces in dense, trendy urban areas. Rather than relying on density and naturally-occurring "collisions" between entrepreneurs, it will have to focus on intentionally cultivating the right set of companies, building their capacity through connections to funders and firms, and helping them get established in Howard County.

Tactics

- **MCE Tailored Programs:** Ensure that firms can effectively scale by continuing to manage effective MCE programs and identify new ones that provide firms with access to funding from private and public sources (such as TEDCO), high-quality mentoring, and access to potential clients (established mid-to-large sized firms in Howard County and the Baltimore-Washington region generally). Use MCE and Howard Tech Council programs to actively foster relationships between entrepreneurs, as well as between startups and anchor institutions, such as the Johns Hopkins Applied Physics Lab (APL) and/or the NSA. Focus on creating programming around Howard County's industry specializations, particularly Cyber and other professional, scientific, and technical services. Place specific emphasis on identifying and fostering women and minority-owned startups.

- **Create a New, Highly Visible Startup Space:** Develop a new, reinvigorated working and gathering space (including incubator, accelerator, and meeting/event space) to serve startups and other firms in the innovation community. This new facility must be in a visible, high-traffic area (likely the current HCEDA building) that acts as a magnet for entrepreneurs, innovative firms, and potential funders. The

facility must provide cheap, basic space for startup operations; highly flexible leasing terms; and more attractive community space for activities, events, and collaboration. Use the enhanced strategic BRE program to identify high-potential firms to occupy and activate the MCE. Actively pursue corporate sponsorship opportunities that are likely to emerge once a visually appealing and opportunity rich environment is established. Conduct studies and consistently communicate with firms to determine whether additional services and concepts connected to the startup space would be beneficial.

- **Reimagine Columbia Gateway:** Dedicate HCEDA resources to convene private sector landowners and developers, as well as public sector agencies, to vet and develop the concept for a more connected, urban, and walkable Gateway District. Lead discussion on whether Gateway can or should become a true innovation district (with a major research institution as an anchor), is more suited to a standard mixed-use project, or some newly conceptualized hybrid. Also, determine whether there should be any specific industry targets for this district, such as Cyber; however, consider the reality of constant change. Building from experience with demand for space and programming within the new startup space, as well as research on the real estate demands of Howard County startups and innovative firms, explore opportunities for a range of development options in Gateway. These may range from relatively modest building retrofits and modifications to public spaces in specific portions of Gateway to a full-scale innovation district inspired by other suburban versions (such as Research Triangle Park).

Influencing and Global

- With recent approval from Howard County to turn the current HCEDA headquarters building into an attractive startup community gathering space, the HCEDA needs to embark on a planning and financing program to create a compelling new innovation space.

- If the HCEDA decides to pursue development of a true innovation district, it will need an active presence and participation from an anchor institution or industries. This will require outreach to institutions such as the APL and/or NSA to spur their interest and determine their ability and desire to fill this role.

- Provide the economic rationale and business case for the development of a long-term master plan to make Columbia Gateway a denser, mixed-used development.

4. Prioritize Research and Messaging

Develop and maintain a base of sophisticated market intelligence to establish the HCEDA as an authority on the local economy and provide a platform for all of the HCEDA's services and marketing.

Because a relatively small number of firms are responsible for the most important growth outcomes in any region, it is crucial for EDOs to be able to proactively identify these high-potential firms. And since these firms are operating in increasingly complex and global environments, EDOs must also have a thorough understanding of the market dynamics facing these firms in order to be able to create relevant programs and services. The disruption in economic development also means that EDOs are being expected to take on new roles. To be adaptable and nimble in this environment, EDOs need to be able to quickly produce reliable assessments of new markets, situations, and business opportunities. All of this requires research capacity that goes well beyond collecting standard datasets to respond to business attraction prospects – it extends to supporting every strategy in this plan.

High-quality research can also transform external existing marketing and business attraction efforts. Companies today are able to easily access data to narrow their relocation and expansion decisions to markets that are inherently similar on fundamental factors. (Howard County, for example, primarily competes with similar counties in the region, like Montgomery and Fairfax.) To break through the noise, EDOs need a solid research-based narrative that differentiates a county (and its region) and reflects the way that businesses think. The most successful EDOs around the U.S. are building their strategies and marketing efforts around research. For example, the San Diego Regional EDC has recently produced research on the economic impact of the region's research institutions in order to attract external investment to offset NIH funding declines, and Medical Alley (Minnesota's medical devices cluster organization) produces a constant stream of research that speaks directly to specific business issues and has firmly established the Minneapolis-St. Paul as a leading hub for that industry.

Tactics

- **Data and Intelligence:** Regularly collect and update market intelligence related to firms and key industries in Howard County and the broader region, as well as the topics included in this strategic plan's key findings (i.e., transit, workforce, and urbanization). Establish a readily available set of information – data, maps, graphics, slides, and reports – that can be easily shared and establish the HCEDA as the go-to hub for economic information in the county. Ensure continual awareness of other relevant research being produced, especially by organizations such as the Economic Alliance of Greater Baltimore (EAGB), Maryland Department of Commerce, and the Maryland Technology Development Corporation (TEDCO). Establish strong linkages between HCEDA and the Department of Planning and Zoning, Department of Inspection, Licensing, and Permits, Finance, and other valuable sources of information.

- **Track Interactions:** Methodically track all conversations and interactions with firms and other partners in a way that enables HCEDA staff to identify trends in company requests, concerns, and successes and enhance use of resulting data. This data should be used to modify existing programs and services and add new ones. Organize and structure data so that it can easily build off of other quantitative market intelligence. Capture stories and perspective of local firms to create well-grounded narrative and marketing materials.

- **Build Narratives:** Use market intelligence to build narratives that support and inform other key HCEDA strategies and provide a business case for pursuing broader county priorities, such as the following:

    - BRE and business attraction: use data and reports to help support excellent fulfillment of requests for information (RFI). To differentiate Howard County from peer counties, focus on creating in-depth reports on one or two special topics per year (or contributing significantly to relevant regional reports).
    - Incubator and innovation: to support creation of a cutting-edge startup space and reimagine the Gateway area to respond to market demand, produce research demonstrating needs of key firms, real estate trends, industry dynamics, and emerging practices by EDOs in peer regions.
    - Influencing and support: develop the economic rationale for making investments in assets that matter to HCEDA but are outside of its control (i.e., place making, transit, workforce, and quality of life). Provide data to other agencies to bolster their case for increased investment. For example, Howard County would be more likely to prioritize transit connections if it had direct feedback from firms related to the challenges of attracting young, skilled workers.

Influencing and Global

- Stress the need for other entities with a regional or statewide scope (e.g., Commerce, TEDCO, and EAGB) to produce research on topics that extend beyond Howard County, including regional clusters, entrepreneurial ecosystems, workforce, and transit.

- Build connections with the planning department and other partners to ensure that the HCEDA is providing the necessary economic data and business case to support key projects, and to obtain critical research inputs for HCEDA's own special projects.

5. Dedicate Resources for Special Projects

Proactively set aside staff capacity and resources to address a limited set of short-term special projects that emerge unexpectedly, but consistently.

As part of the broader shift in the economic development environment nationwide, EDOs that used to be solely responsible for economic growth outcomes are being asked to engage in a variety of new topics that fall well outside of their traditional responsibilities. These unpredictable or emerging challenges and opportunities that require intensive short-term attention are referred to in this strategic plan as "special projects". In some cases, special projects stem from truly unexpected situations, such as the 2016 flooding in Ellicott City. In other cases, special projects emerge when EDOs begin to explore new drivers of growth that don't adhere to the comparatively regular rhythm of business attraction or retention projects – such as economic inclusion, talent attraction, placemaking, or global trade and investment. For the HCEDA, the past year's work on the innovation district concept is an example of a special project that is now being formalized as an HCEDA responsibility in this strategic plan. In rare cases, a major business attraction project could become a special project.

While the specific nature of any given special project is unpredictable, it is predictable that special projects of some sort will continue to emerge with increasing frequency. This strategy is aimed at ensuring that the HCEDA maintains the flexibility and organizational capacity to take on emergent priorities that could not be foreseen when this plan was created. This should ensure that resources and focus aren't derailed from the previous four core strategies when a new, urgent priority emerges. By planning ahead, the HCEDA can approach new topics strategically and without taking resources away from other stated strategic priorities (such as BRE, which requires consistent focus but is typically the first activity to lose resources).

Tactics

- **Engage and Transition:** The role of the HCEDA in special projects is to apply focused resources for a defined period of time to produce a final outcome, support a new effort, or deal with a crisis. If the problem or opportunity cannot be resolved within a defined period, the HCEDA must either find a more permanent home for the project within another organization, formally adopt it as part of the HCEDA's internal mission (which requires board approval and new, dedicated resources), or drop the topic from its short-term body of work.

- **Define Scope and Approve:** The HCEDA board is responsible for establishing the criteria for all aspects of special projects and making any adjustments to it over time. As a start, the board must resolve to take on no more than two special projects at a time (unless new staff and/or financial resources are provided by outside sources to cover the entire cost of the project). Succumbing to the pressure to do more will inevitably result in resources being drained from other established

priorities. These projects must be clearly defined at the outset and have a limited and specific time period (between three months to a year). The HCEDA must seek board approval before formally taking on a new special project.

Influence and Support for Key County Initiatives

Develop and deliver the compelling, on-going business case and narrative for county economic development priorities that fall outside the HCEDAs sphere of control.

HCEDA is charged with creating and implementing a strategic economic development plan for the entire county every five years, not just for itself. However, many of the most critical initiatives identified during the strategic planning process that require action are not under the 'control' of the HCEDA. This section goes beyond the five core strategies HCEDA is responsible for implementing and commits it to providing the economic lens and rationale for priority county initiatives led by other agencies. HCEDA will develop and maintain narratives related to key topics, with a primary focus on place making, transit, workforce, and quality of life, which are critical to the county's economic future and to HCEDA's ability to deliver on its mission. HCEDA staff will commit to supportive involvement in priority projects through research and reports, advisory roles, board or task force membership, community presentations, and regular meetings with project leads. Its role here is to serve as an information hub and economic thought leader and to influence outcomes and support partner organizations, such as the county Department of Planning and Zoning, the Chamber of Commerce, public schools, and the Columbia Association, etc., by elevating awareness and providing these groups with the business and economic case for vital projects.

- **Place making to compete for talent and business:** One key finding for this plan confirmed that talented workers (primarily young college graduates) are increasingly drawn to dense, amenity-rich urban districts, and businesses are proving willing to follow them. This has significant implications for jurisdictions, such as Howard County, that have to date flourished by capturing talent and suburban-oriented growth, but must now figure out how to adapt and compete based on new market forces. Amidst increasing debate, resistance, and planning for more dense, mixed-use districts in the county to confront this threat, there is a need for more market intelligence and trend analysis that makes the compelling economic case and supports projects vital to the county's long-term economic viability. Downtown Columbia, the Village Centers, Columbia Gateway, Route 1 Corridor, and Ellicott City provide examples of districts where mixed-use, urban districts are underway or envisioned.

- **The case for transit access:** Another major finding of the planning process is that while access to transit is a top priority for young adults (18-34 years old) when buying a home, there are limited plans and a shortage of funding to pursue transit opportunities in Howard County. In this regard, the county risks becoming more disconnected from the key employment nodes (and sources of employees) it depends on, such as Baltimore, Washington, Fort Meade, and Montgomery County. If Howard County is to maintain its position relative to competing jurisdictions, both within the region and with other metro areas, HCEDA will need to be proactive in

making the business and economic case for better access and connectivity and provide more intentional and direct input and support to responsible county and state agencies.

- **Workforce:** Workforce is without question the top economic development issue in metro areas across the country and is a topic that is dispersed throughout each of the key findings for this plan. However, workforce and talent development falls outside the mission or control of EDOs, including HCEDA. Instead, the ability to develop and attract talent is influenced by all the other findings for this plan, such as quality of schools and colleges, place making, transit connectivity, and workforce training programs. While Howard County has been somewhat insulated from this issue given its very highly educated population and location central to the Baltimore-Washington region that gives it broad access to talent, workforce is a growing issue. The HCEDA will commit to developing and maintaining a rationale and set of recommendations, and engaging on task forces, to ensure the topic of workforce, and those who lead initiatives to improve it, receives the necessary attention and resources.

- **Quality of Life:** Howard County has established itself as a magnet for residents largely due to its high quality of life, as demonstrated through very high ratings on a national scale for schools, health care, its communities, and many other factors. These represent critical areas of differentiation, so maintaining these aspects of the county is vital in attracting and retaining talent and businesses and to healthy economic sustainability and growth. While HCEDA is not directly responsible for these aspects of the community, it will provide data, market intelligence, and a consistent narrative around the importance of these and other quality of life assets to the county's economic future.