



Somerset County

Training, Tourism, & Transforming
the Built Environment:
Keys to a Better Economic Future

June 2020

SAGE POLICY GROUP, INC.

SUBMITTED TO: SOMERSET COUNTY ECONOMIC DEVELOPMENT

SOMERSET COUNTY

Training, Tourism, & Transforming the Built Environment

Somerset County Economic Development commissioned Sage Policy Group along with partnering firms Becker Morgan Group and Maven+Smith to develop a Strategic Economic Opportunities Analysis.

The goal of this analysis is to supply policymakers and other stakeholders with information and analysis that guides decision-making and better positions the county for more broadly shared prosperity, greater visitation, livelier streetscapes, and fiscal sustainability.

Hurricane Sandy, which rocked Smith Island, Crisfield, and other parts of the county in late-October 2012, serves as an important part of the report's context and purpose, with one of the goals being to help these communities continue to recover from the dislocations Sandy produced.



Training, Tourism, & Transforming the Built Environment

Executive Summary

Somerset County Economic Development commissioned Sage Policy Group, Inc., Becker Morgan Group, and Maven+Smith to develop a Strategic Economic Opportunities Analysis. The endeavor is intended to supply policymakers and other stakeholders with information and analysis to position the county for more broadly shared prosperity, greater visitation, livelier streetscapes, and fiscal sustainability. Hurricane Sandy, which rocked Smith Island, Crisfield, and other parts of the county in late-October 2012, serves as part of the report's context, with one of the goals being to help impacted communities continue to recover from the storm.

Part I. Strategic Economic Opportunities Analysis

Part I of this report begins by profiling Somerset County economically and demographically. It then goes on to summarizing feedback garnered from key county stakeholders through focus groups and interviews, supplies a SWOT analysis, evaluates a host of existing economic development plans and strategies, and supplies the study team's recommendations and related insights.

Key recommendations put forth in Part I of this report include:

1. *Dramatically diminish dependence on public housing in Crisfield over 20 years;*
2. *Pursue an aggressive place-making strategy in Princess Anne;*
3. *Invest no public monies directly in a downtown Crisfield hotel, but potentially support private investment through sagacious investment in infrastructure;*
4. *Focus particular attention on a number of promising industries:*
 - a. *retirement living & healthcare;*
 - b. *aquaculture, agriculture, food processing, and food distribution;*
 - c. *the skilled trades, including those related to construction and manufacturing;*
 - d. *alternative energy; &*
 - e. *tourism.*

Part II. Somerset County Tourism Evaluation & Strategy

Part II of this report begins by supplying an assessment of Somerset County’s current tourism climate. It then proceeds to provide a competitive analysis, a SWOT analysis, summarizes findings from interviews and focus groups, and outlines strategic goals and recommendations.

Key recommendations put forth in Part II of this report include:

1. *Focus on key hospitality targets: outdoorsy professionals and active families.*
2. *Pursue projects positioning Somerset County as a preferred destination for outdoorsy professionals and active families: e.g., vacation packages; eco cottage development; brew pubs.*
3. *Adopt a strong brand for Somerset County: “Endless Somerset”.*
4. *Implement tourism messaging campaigns designed to appeal to target markets that are firmly wrapped around the “Endless Somerset” brand.*

Part III. Crisfield Feasibility Study

Becker Morgan Group prepared detailed diagrams of Crisfield’s downtown district focusing on considerations of density, green areas, and parking lots. The study team utilized these diagrams to identify areas ripe for new development or adaptive reuse.

Site visits were conducted to observe existing conditions of individual properties along West Main Street (specifically between 322 W. Main Street and 510 W. Main Street). While relevant stakeholders granted Becker Morgan Group full access to the interior of properties 324, 328, and 413, all other property analysis was limited to exterior observation walk arounds and drone aerial imaging.

Downtown urban analysis diagrams and individual property assessments were utilized to identify areas ideal for demolition, façade and other structural improvements, the creation of plaza and landscaped areas, and the incorporation of district-wide improvements. Recommendations focus on improving pedestrian experiences, expanding property values, and positioning the downtown Crisfield district as a destination. Detailed analytical findings and recommendations regarding downtown Crisfield are presented in a separate report that serves as a compendium to this analysis.

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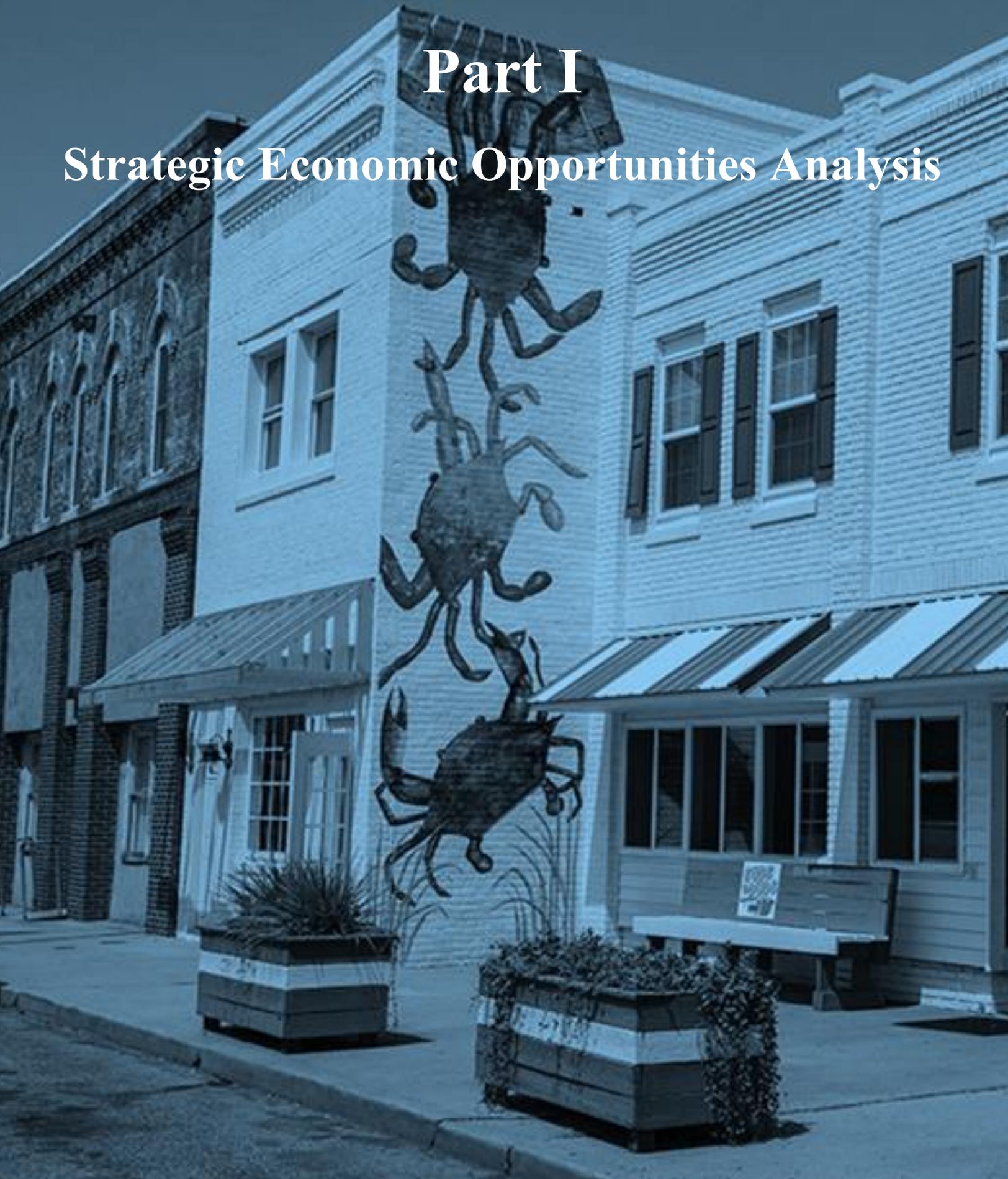
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Part I

Strategic Economic Opportunities Analysis



Report Organization

Part I of this report begins by profiling Somerset County economically and demographically. The following section summarizes feedback garnered from key county stakeholders through focus groups and interviews. The report's third substantive section supplies a SWOT analysis, which is derived from a combination of quantitative data analysis and qualitative data collection. The ensuing section evaluates a host of existing economic development plans and strategies. The final section supplies the study team's recommendations and related insights.

Economic & Demographic Conditions in Somerset County

- Population Growth (and Loss) over Time

After experiencing population growth during most of the 1800s, a period of rapid agricultural and then industry growth in America, Somerset County's population declined for much of the 1900s, a period associated with greater global competition, automation, and deindustrialization.

However, as an indication that fortunes are subject to change, the county's population began to expand once again around 1980. At that time, the county's population stood at 19,188. By 2010, a year that reflected the housing boom of the prior decade and an acceleration in people retiring to waterfront communities, the county's population was 26,470, about 38 percent above its 1980 level.

Exhibit 1. Somerset County, MD Total Population 1790-2018



Source: U.S. Census Bureau; Maryland Department of Planning.

Based on available Census data, this trend then reversed once again around 2010, perhaps sooner. The financial crisis that began in earnest on September 15th, 2008 with the collapse of investment bank Lehman Brothers resulted in further weakening of the nation's housing market, the strength of which had been at the heart of Somerset County's revival. With Americans becoming wealthier during the booms of the 1980s and 1990s and with the market for second homes (including

condominiums) becoming red hot during the decade of the 2000s, many firmly middle income households chose to purchase second homes in Crisfield and elsewhere in Somerset County and sometimes to relocate there on a permanent basis, often to retire. The financial crisis put a stop to these dynamics, with many people opting to own less housing or perhaps being forced to relinquish a property by lenders. Meanwhile, many former Somerset County residents have moved on, resulting in overall population loss.

During the decade spanning 2000-2010 Somerset County’s population expanded at a slower pace than the balance of the Lower Eastern Shore region. Somerset County’s population expanded 0.7 percent on a compound annual growth rate (CAGR) basis between 2000-2010, while Wicomico County’s population expanded 1.6 percent and Worcester County’s by 1.0 percent annually.

During the ensuing 2010-2018 period, Somerset County’s population declined at a 0.4 percent annual average rate even as other areas of the Lower Eastern Shore continued to expand, albeit at a much slower pace than registered during the decade of the 2000s.

Exhibit 2. Change in Population, 2000-2010 & 2010-2018

	2000	2010	2018	CAGR (%)	
				2000-2010	2010-2018
Maryland	5,296,486	5,773,552	6,042,718	0.9%	0.6%
Somerset County	24,747	26,470	25,675	0.7%	-0.4%
Wicomico County	84,644	98,733	103,195	1.6%	0.6%
Worcester County	46,543	51,454	51,823	1.0%	0.1%

Source: U.S. Census Bureau. 2000 & 2010 Census: DP-1; 2018 Population Estimates: PEPANNRES.

Population growth within Somerset County has been uneven, a pattern that remains apparent into the current period. Within the county, Princess Anne town was the only area to experience significant population growth in absolute terms during the 2000-2010 period. The town’s population growth slowed following that period, however, expanding by just 0.5 percent annually from 2010-2017. In 2000, Princess Anne’s population stood at 2,313. By 2017, it stood at 3,413, a gain of precisely 1,100 people.

There are other areas within the county that have added population in recent years, but generally this growth amounts to few net new people. From 2010-2017, the Frenchtown-Rumbly census designated place (CDP) experienced the fastest growth in percentage terms, with its population expanding by 4.2 percent annually on average. That translated into 33 additional people. The Mount Vernon CDP’s population expanded at an average annual rate of 2.1 percent, resulting in an additional 119 people. The Smith Island CDP (-114), Fairmont CDP (-151), and West Pocomoke CDP (-91) all saw meaningful declines in their populations over the last seven years, however. Crisfield City’s population declined by 111 people between 2010 and 2017. Note that 2018 population data are not yet available at these detailed geographic disaggregations.

Exhibit 3. Change in Population, Somerset County Census Designated Places, 2000-2010 & 2010-2017

	2000	2010	2017	CAGR (%)	
				2000-2010	2010-2017
Chance CDP	377	353	375	-0.7%	0.9%
Crisfield city	2,723	2,726	2,615	0.0%	-0.6%
Dames Quarter CDP	188	167	157	-1.2%	-0.9%
Deal Island CDP	578	471	465	-2.0%	-0.2%
Eden CDP	793	823	853	0.4%	0.5%
Fairmount CDP	537	457	306	-1.6%	-5.6%
Frenchtown-Rumbly CDP	96	100	133	0.4%	4.2%
Mount Vernon CDP	761	779	898	0.2%	2.1%
Princess Anne town	2,313	3,290	3,413	3.6%	0.5%
Smith Island CDP	364	276	162	-2.7%	-7.3%
West Pocomoke CDP	498	454	363	-0.9%	-3.1%

Source: U.S. Census Bureau. 2000 & 2010 Census: DP-1; 2013-2017 American Community Survey 5-Year Estimates: DP05. Notes: 1. 2017 figures represent a 5-year average covering 2013-2017. 2. CDP: Census Designated Place.

Interestingly, many communities associated with population loss are also associated with older demographics than other communities. Population loss is associated with a lack of economic vitality, which in turn induces many young jobseekers to look elsewhere.

But despite recent population loss, Somerset County remains a surprisingly youthful place. In 2018 the median age in Somerset County was 37.4 years, which is actually lower than the statewide median age of 38.5. However, the population of 25-44 year olds, which represents much of the prime age workforce, declined by more than 950 people between 2000 and 2018.

Exhibit 4. Somerset County, MD Population by Age Group, 2000 v. 2018

Age Group	2000	% of Total Pop.	2018	% of Total Pop.
<15	3,779	15.3%	3,668	14.3%
15-24	4,684	18.9%	5,018	19.5%
25-44	7,288	29.5%	6,321	24.6%
45-64	5,493	22.2%	6,316	24.6%
65+	3,503	14.2%	4,352	17.0%
Total Population	24,747	100.0%	25,675	100.0%
Median Age	36.5	-	37.4	-

Source: U.S. Census Bureau. 2000 Census: DP-1; 2018 Population Estimates: PEPAGESEX.

The exhibit below indicates that Somerset County is home to a larger share of very young people than the U.S. As of 2018, approximately 34 percent of Somerset County's population was aged 24 or below, while the corresponding proportion nationally was less than 32 percent. At that time, the county's median age was 0.8 years below the national average.

Exhibit 5. Population by Age Group, Somerset County v. United States, 2018

Age Group (% of Population)	Somerset County	United States
<15	14.3%	18.6%
15-24	19.5%	13.1%
25-44	24.6%	26.6%
45-64	24.6%	25.6%
65+	17.0%	16.0%
Median Age	37.4	38.2

Source: U.S. Census Bureau. 2018 Population Estimates: PEPAGESEX.

- **Housing Statistics Reflect Slower Growth and Shift Toward Renter Occupancy**

Not only has population declined in recent periods, which would serve to diminish demand for housing all things being equal, but there has been a shift away from homeownership and toward renter status. In 2000, there were an estimated 5,820 owner-occupied units in Somerset County. By 2017, this tally had tumbled to 5,405. By contrast, the number of renter occupied units expanded from 2,541 to 2,957 during this period, with the pace of renter-occupied growth accelerating during the 2010-2017 period relative to the decade of the 2000s.

There has also been a sharp increase in the number of vacant housing units. A study conducted by Lower Shore Family First (LSFF) on behalf of Somerset County government determined that the county is home to a larger proportion of substandard housing than Caroline, Talbot, Wicomico, and Worcester counties.¹ Substandard housing units are much more likely to be abandoned by their owners, increasing the number of vacant units. Accordingly, the number of vacant housing units climbed from 1,731 in 2000 to 2,972 in 2017, an increase approaching 72 percent.

Exhibit 6. Housing Occupancy in Somerset County, MD, Select Years

	2000	2010	2017	CAGR (%)	
				2000-2010	2010-2017
Total housing units	10,092	11,007	11,334	0.9%	0.4%
Vacant housing units	1,731	2,680	2,972	4.5%	1.5%
Occupied housing units	8,361	8,327	8,362	0.0%	0.1%
Owner-occupied	5,820	5,580	5,405	-0.4%	-0.5%
Renter-occupied	2,541	2,747	2,957	0.8%	1.1%

Source: U.S. Census Bureau, 2000 Census: QT-H1; 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates: DP04

Consistent with growth in renter-occupied housing, the rental vacancy rate fell from 9.4 percent in 2010 to 4.4 percent in 2017. Homeowner vacancy also declined, but only slightly, and remains above its 2000 level.

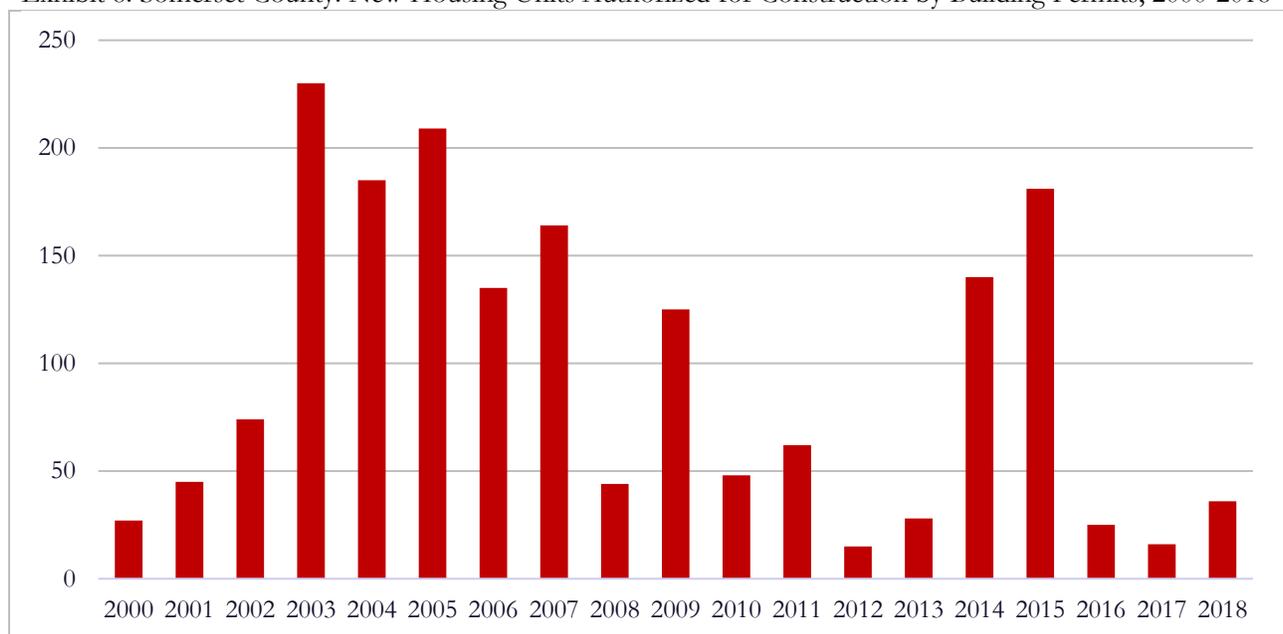
Exhibit 7. Select Housing Characteristics in Somerset County, MD, Select Years

Category	2000	2010	2017
Average household size of owner-occupied unit	2.4	2.4	2.4
Average household size of renter-occupied unit	2.3	2.3	2.3
Median year structure built	1971	1971	1979
Median value of owner occupied housing unit	\$81,100	\$155,900	\$131,000
Homeowner vacancy rate	2.8%	5.1%	4.9%
Rental vacancy rate	8.3%	9.4%	4.4%

Source: U.S. Census Bureau, 2000 Census: DP-1, DP-4, H035; 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates: DP04, B25035.

¹ “A Survey and Analysis of Substandard Housing in Somerset County”. Prepared by Lower Shore Family First. August 2016.

Exhibit 8. Somerset County: New Housing Units Authorized for Construction by Building Permits, 2000-2018



Source: U.S. Census Bureau; Maryland Department of Planning

The lack of population growth and the after-effects of the financial/foreclosure crisis have predictably been associated with a general lack of new housing units authorized for construction. Still, though permitting never achieved the levels attained during the 2003-2005 building permits boom, 2014-2015 represented a period of meaningful permitting activity and the level of permits issued in 2018 was well beyond that occurring in 2016-2017.

- **Assessable Tax Base Has Shrunk Substantially since FY2011**

After peaking in FY2011 at \$1.69 billion, the County’s real property assessable base declined sharply through FY2015 to \$1.36 billion, or nearly 20 percent below its FY2011 peak. Since FY2015, the assessable base has hardly changed, standing at \$1.35 billion as of FY2018. Given the growing cost of delivering government services over time due to rising salaries, materials, and other expenses, this means that Somerset County’s assessable base continues to shrink in real terms. The implication is clear. The County stands to benefit tremendously from an uptick in investment in new and existing properties and from a general appreciation in the value of real estate.

That assessable base continues to slide in real terms is deeply problematic. While the Great Recession devastated real estate values in much of the nation, the subsequent recovery is now in its 11th year. Should there be a recession in the near-term (e.g., 2020), real estate values would likely dip further, rendering the County that much more constrained in terms of investing in the community and providing basic services.

Exhibit 9. Somerset County, MD: Real Property Assessable Base (\$ Billions), FY2007-FY2018



Source: Somerset County, Department of Finance, “Somerset County, Maryland Financial Report, June 30, 2018”. Note: Data as of June 30th of each year. Figures are unaudited.

The exhibit below details Somerset County’s assessable base by property type using two points in time – the peak fiscal year of 2011 and the most recent year for which fiscal data are available, FY2018. Since the FY2011 peak, residential real property tax base declined by 3.1 percent annually on average. Commercial property tax base, which represents the second largest element of the property tax base, shrank less drastically during the same time period, by just 0.2 percent annually on average. Note that these data are supplied by the Maryland Department of Assessment and Taxation and differ somewhat from those reported by Somerset County’s Department of Finance in Exhibit 9 above.

Exhibit 10. Somerset County Real Property Assessable Base, FY2011 v. FY2018

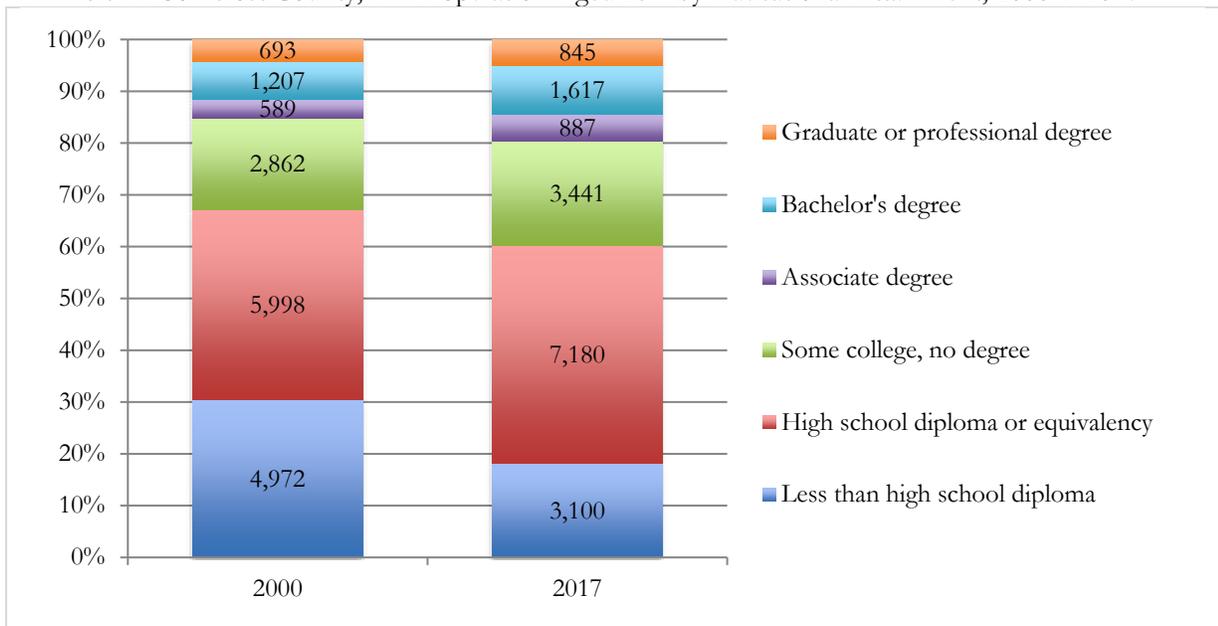
	Assessable Tax Base (\$ Millions)		FY2011 v. FY2018	
	FY2011	FY2018	Net	CAGR %
Agricultural	\$166.0	\$149.6	-\$16.4	-1.5%
Residential	\$1,125.7	\$903.3	-\$222.4	-3.1%
Commercial	\$318.8	\$314.7	-\$4.0	-0.2%
Marsh	\$1.3	\$0.9	-\$0.5	-6.0%
Total Assessable Tax Base	\$1,611.8	\$1,368.5	-\$243.3	-2.3%

Sources: Maryland Department of Assessment and Taxation, AIMS Reports. Notes: 1. Data as of July 1st of each year. 2. Commercial includes the following categories: Commercial, Commercial Condos, Commercial Residential, Apartments, Townhouses.

- Educational Attainment on the Rise in Somerset County

Over time the population in Somerset County has become more educated, with the share of population with less than a high school diploma falling from more than 30 percent in 2000 to 18 percent by 2017. As an example, the population of county residents with a graduate or professional degree expanded from an estimated 693 in 2000 to 845 by 2017. That represents an increase of almost precisely 22 percent. The population of those with a bachelor’s degree as their highest level of educational attainment has also surged, from 1,207 to 1,617 between 2000 and 2017, representing an increase of 34 percent. The only educational attainment category to experience population loss is the category including those with less than a high school diploma.

Exhibit 11. Somerset County, MD Population Aged 25+ by Educational Attainment, 2000 v. 2017



Source: U.S. Census Bureau, 2000 Census: DP-2; 2013-2017 American Community Survey 5-Year Estimates: DP02. Note: 2017 figures represent a 5-year average covering 2013-2017.

Given the significant increase in educational attainment, one may have expected a concomitant increase in income and living standards. However, the phenomenon of rising educational attainment and stagnant living standards has become commonplace across America. In 1970, when America’s middle class was in its heyday, only half of Americans ages twenty-five and older boasted a high school diploma or equivalent. Today, 90 percent do. Over the same period, the proportion of Americans with a college degree has more than tripled. Despite that, from 1979 to 2017, the purchasing power of the average American’s paycheck failed to rise even as the average real annual wages of the top 1 percent of Americans rose 156 percent.²

² The Atlantic. “Better Schools Won’t Fix America”. July 2019 Issue, by Nick Hanauer. <https://www.theatlantic.com/magazine/archive/2019/07/education-isnt-enough/590611/>.

There are many reasons for this, but at the heart of the matter is the nature of jobs being created today versus fifty years ago. U.S. industry was once dominated by a host of goods-producing segments, including manufacturing, mining and agriculture. Many of these jobs paid living wages and offered significant benefits, including pensions.

The story is far different today. According to federal estimates, four of the five occupational categories projected to add the most jobs over the next five years are among the lowest-paying: food preparation/serving, personal care, sales, and healthcare support. Among these segments, healthcare support pays the most (about \$26,500 nationally).³

The key, therefore, is to identify segments in which Somerset County enjoys demonstrated or at least theoretical comparative advantage and to determine which of them supports appealing living standards. That is not where the endeavor ends, however. One must also determine how the local workforce can be better positioned for jobs in these identified segments.

Exhibit 12. College Preparedness Indicators, Maryland & Somerset County

High School Graduation Rates: 2018				
	Maryland		Somerset County	
4-Year Adjusted Cohort Graduation Rate	87.12%		84.53%	
SAT Mean Score: 2017				
SAT Subject	Maryland		Somerset County	
Evidence-Based Reading & Writing	530		501	
Math	520		486	
Total Score	1050		987	
Advanced Placement (AP) Test Results: 2017				
AP Subject	Mean Grade Per Exam		% of Exams with Score of 3-5	
	Maryland	Somerset County	Maryland	Somerset County
All Subjects	3.0	2.0	63.1%	17.6%
All Fine Arts	3.3	N/A	75.8%	-
All English Language Arts	2.8	2.1	56.9%	20.7%
All Foreign Language	3.6	N/A	85.6%	-
All Mathematics	3.2	N/A	65.5%	-
All Science	3.0	3.0	63.2%	13.6%
All Social Studies	3.0	N/A	62.4%	-

Source: Maryland Report Card (Maryland Department of Education). Notes: AP exams are scored from 1-5. Exams with a score of 3-5 are generally accepted by institutions of higher education for college credit.

³ Id.

- Somerset County Remains a Low-Income Community

Median household income in Somerset County is lower than in the other Lower Eastern Shore counties, the balance of Maryland and the rest of the U.S. Household income actually declined between 2010 and 2017 in both real and nominal terms, from a median of \$42,443 to \$39,239, which was less than half the statewide median.

Exhibit 13. Median Household Income, Nominal, Select Years

Category	1999	2010	2017
U.S.	\$41,994	\$51,914	\$57,652
Maryland	\$52,868	\$70,647	\$78,916
Somerset County	\$29,903	\$42,443	\$39,239
Wicomico County	\$39,035	\$50,752	\$54,493
Worcester County	\$40,650	\$55,487	\$59,458

Source: U.S. Census Bureau, 2000 Census: DP-3; 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates: DP03. Notes: 1. Figures are not adjusted for inflation. 2. 2010 figures represent a 5-year average covering 2006-2010 and 2017 figures represent a 5-year average covering 2013-2017.

Consistent with declining income levels, the poverty rate among families in Somerset County expanded from 12.7 percent to 18 percent between 2010 and 2017. Poverty has been a persistent challenge for Somerset County over the decades, but the financial crisis, the outward migration of prime age workers, and the general tendency toward low-wage job creation haven't helped. That said, rising poverty is hardly unique to Somerset County. Since 2010, poverty has also increased statewide and nationally, though the rate of increase in poverty falls far short of that registered in Somerset County.

Exhibit 14. Poverty Rates (Families), Select Years

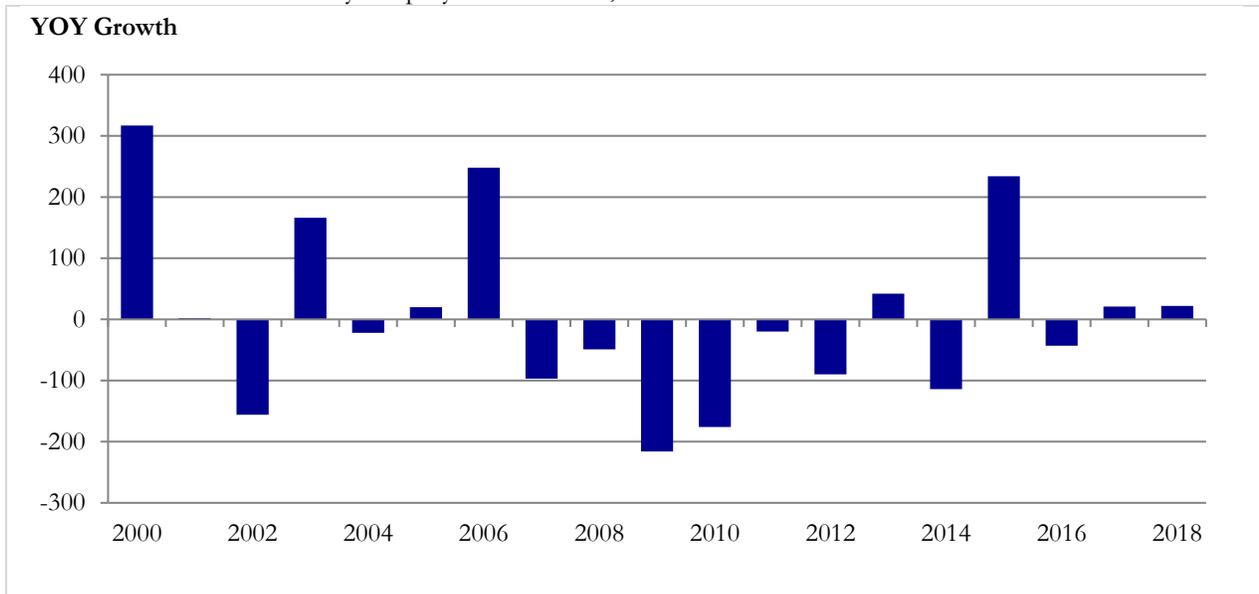
Category	1999	2010	2017
U.S.	9.2%	10.1%	10.5%
Maryland	6.1%	5.7%	6.6%
Somerset County	15.0%	12.7%	18.0%
Wicomico County	8.7%	7.8%	10.2%
Worcester County	7.2%	6.2%	7.8%

Source: U.S. Census Bureau, 2000 Census: DP-3; 2006-2010 and 2013-2017 American Community Survey 5-Year Estimates: DP03.

- Employment

Despite the lengthiest expansion in American economic history, consistent employment growth has continued to elude Somerset County. Since 2010, the first full-year of the current economic expansion, the county has lost jobs five times through 2018, with the exceptions being 2013, 2015 (the best year), 2017 and 2018. Thanks to 2015, Somerset County’s 2018 employment was greater than it was five years earlier. However, 2018 employment remained several hundred jobs short of its 2008 level.

Exhibit 15. Somerset County Employment Growth, 2000-2018



Source: U.S. Bureau of Labor Statistics; Maryland Department of Labor, Licensing and Regulation (DLLR): Quarterly Census of Employment and Wages (QCEW) program. Notes: Data are not seasonally adjusted (NSA).

Exhibit 16. Total Employment (NSA), Select Years

	Employment			Net Growth		CAGR	
	2008	2013	2018	2008-2013	2013-2018	2008-2013	2013-2018
Maryland	2,537,400	2,532,403	2,676,716	-4,997	144,313	0.0%	1.1%
Somerset County	7,075	6,615	6,735	-460	120	-1.3%	0.4%
Wicomico County	46,452	44,126	45,419	-2,326	1,293	-1.0%	0.6%
Worcester County	24,096	23,890	24,988	-206	1,098	-0.2%	0.9%

Source: U.S. Bureau of Labor Statistics; Maryland Department of Labor, Licensing and Regulation (DLLR): Quarterly Census of Employment and Wages (QCEW) program. Notes: 1. Figures reported by the Bureau of Labor Statistics QCEW and the Maryland QCEW differ slightly, but the difference is negligible. 2. Data are not seasonally adjusted (NSA).

The public sector plays a critical role in the composition of Somerset County’s economy. Government jobs represent more than 40 percent of total employment. As of 2018, there were more than 2,800 public sector jobs countywide. The public sector represented an important source of economic stability during and after the Great Recession. Between 2008 and 2013, the public sector added jobs while the private sector lost more than 533 of them, with the majority of the loss in goods producing segments like manufacturing and construction. However, while private sector employment has been expanding more recently, with the county adding more than 300 net new private positions between 2013 and 2018, the public sector has begun to shrink overall staffing.

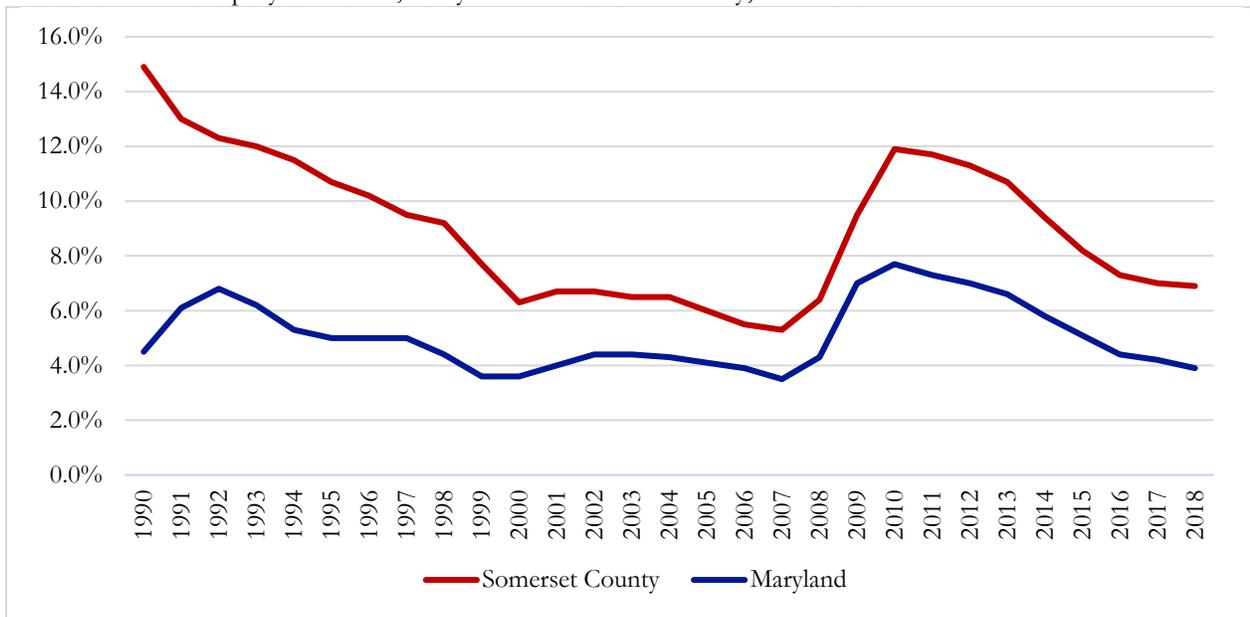
Exhibit 17. Somerset County Employment by Sector, Select Years

	Employment			Net Growth		CAGR	
	2008	2013	2018	2008-2013	2013-2018	2008-2013	2013-2018
Total Employment	7,075	6,615	6,735	-460	120	-1.3%	0.4%
Public Sector Employment	2,945	3,018	2,818	73	-200	0.5%	-1.4%
Private Sector Employment	4,130	3,597	3,916	-533	319	-2.7%	1.7%
Goods-Producing	983	627	732	-356	105	-8.6%	3.1%
Service-Producing	3,147	2,970	3,184	-177	214	-1.2%	1.4%

Source: U.S. Bureau of Labor Statistics; Maryland Department of Labor, Licensing and Regulation (DLLR): Quarterly Census of Employment and Wages (QCEW) program. Notes: Data are not seasonally adjusted (NSA).

Inconsistent job growth helps explain persistently high unemployment in Somerset County. Importantly, employment in the Salisbury metropolitan area has been rising in recent years, helping supply employment opportunities to county residents able to commute. By 2015, the Salisbury metropolitan area had surpassed its pre-recession employment peak and was actually attracting national attention for its rate of employment growth at that time.

Exhibit 18. Unemployment Rate, Maryland & Somerset County, 1990-2018



Source: U.S. Bureau of Labor Statistics. Notes: Somerset County figures are not seasonally adjusted.

- State Government is Arguably Somerset County’s Leading Industry

State and local government comprises more than 40 percent of total Somerset County employment. The bulk of that total is represented by state government, which in 2018 was responsible for more than 1,800 positions in the county or 27 percent of total county employment. No industry comes close to state government in terms of employment, with education and health services coming in at a distant second (17%). Importantly, distribution, otherwise known as trade, transportation, and utilities, represents a key contributor to employment. These supply chain-oriented positions represent nearly 16 percent of total countywide employment. The appendix to this report supplies additional detail regarding industry employment.

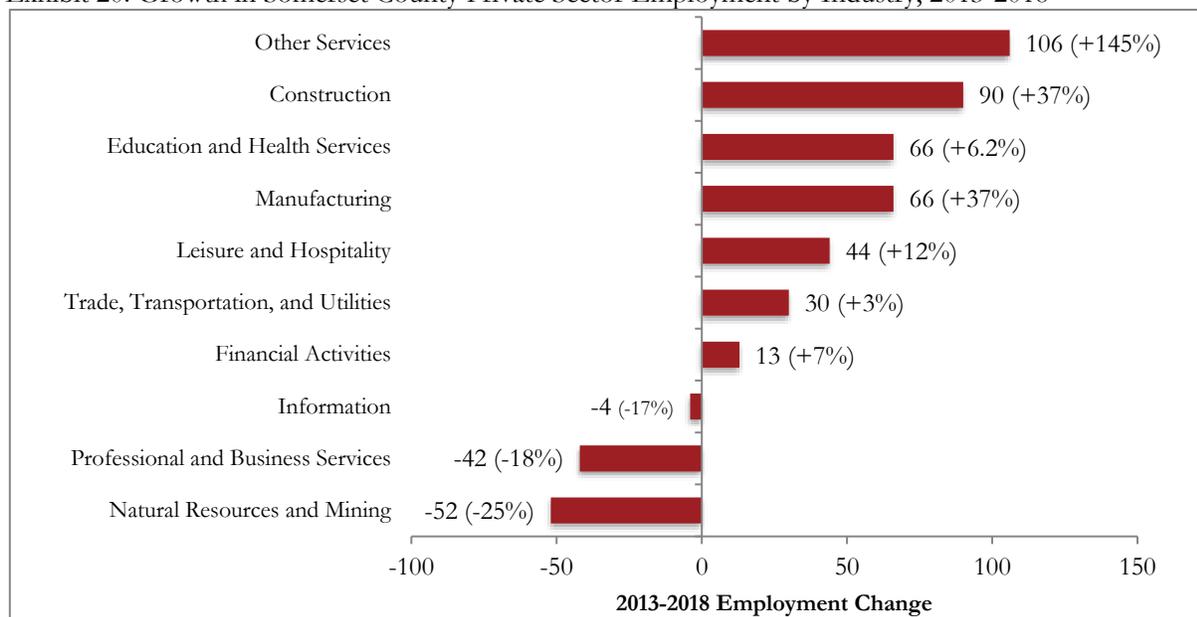
Exhibit 19. Somerset County: Employment by Industry, 2018

Industry	Annual Average Employment	% of Total Employment
Government Sector	2,818	41.8%
Federal Government	50	0.7%
State Government	1,821	27.0%
Local Government	947	14.1%
Private Sector (All Industries)	3,916	58.1%
<i>Goods-Producing</i>	<i>732</i>	<i>10.9%</i>
Natural Resources and Mining	153	2.3%
Construction	333	4.9%
Manufacturing	245	3.6%
<i>Service Providing</i>	<i>3,184</i>	<i>47.3%</i>
Trade, Transportation, and Utilities	1,055	15.7%
Information	19	0.3%
Financial Activities	191	2.8%
Professional and Business Services	193	2.9%
Education and Health Services	1,135	16.9%
Leisure and Hospitality	411	6.1%
Other Services	179	2.7%
TOTAL EMPLOYMENT	6,735	100%

Source: U.S. Bureau of Labor Statistics; Maryland Department of Labor, Licensing and Regulation (DLLR): Quarterly Census of Employment and Wages (QCEW) program. Notes: 1. Data are not seasonally adjusted (NSA). 2. Numbers may not add due to rounding.

Over a recent five-year period, (2013-2018), the category labeled “other services” experienced the largest net job growth in Somerset County, expanding by more than 100 jobs. Construction, education and health services, leisure/hospitality and manufacturing also experienced meaningful job growth. Natural resources and mining, which includes activities like agriculture and fishing, witnessed the largest job losses over the same time period, falling by more than 50 positions. The professional and business services segment also experienced job loss, though this has been one of the leading sources of net new jobs nationally and statewide. Professional services encompasses high-wage categories such as legal, accounting, and architectural services.

Exhibit 20. Growth in Somerset County Private Sector Employment by Industry, 2013-2018



Source: U.S. Bureau of Labor Statistics; Maryland Department of Labor, Licensing and Regulation (DLLR): Quarterly Census of Employment and Wages (QCEW) program. Notes: 1. Data are not seasonally adjusted (NSA).

A useful way to understand the composition of a community’s employment base is to compute and analyze location quotients. An employment location quotient reflects how concentrated a given industry is in an area compared to another geography – for instance the nation as a whole. More precisely, it represents the percentage of employment in a given sector relative to the percentage of employment in the same sector at the national level. An employment location quotient of above 1.0 reflects a concentration greater than the national average and a location quotient below 1.0 reflects a lesser concentration.

As indicated by the exhibit below, state government represents a major economic contributor with a location quotient above 8. This is largely a reflection of the presence of the University of Maryland Eastern Shore (UMES). Many readers may have presumed that UMES would be classified as supplying education services. Were it a private institution, it would be, but for purposes of these data, UMES faculty and staff are considered state government workers.

Other segments with location quotients above 1.0 include natural resources (fishing/agriculture), local government, education/health services (encompasses McCready Memorial Hospital), and construction, with a location quotient of 1.01 as of 2018. All other industries are under-represented relative to their concentration nationally, including high-wage segments such as professional services, financial activities, and manufacturing, which pays an average weekly wage greater than \$1,000, the highest among all Somerset County private industries.

Exhibit 21. Somerset County Industry Concentration (Location Quotients), 2018

Industry	Employment Location Quotient	# of Establishments	Average Weekly Wage
State Government	8.36	10	\$1,054
Natural resources and mining	1.73	21	\$745
Local Government	1.46	20	\$892
Education and health services	1.10	62	\$755
Construction	1.01	64	\$745
Trade, transportation, and utilities	0.84	114	\$841
Leisure and hospitality	0.56	45	\$258
Financial activities	0.51	29	\$728
Manufacturing	0.42	16	\$1,020
Federal Government	0.39	12	\$992
Professional and business services	0.20	41	\$823

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW) program.
 Notes: 1. ND: No data. 2. Figures are for private employment except for Federal/State/Local government.
 3. Location quotient is the percentage of employment in a given sector relative to the percentage of employment in this sector at the national level. Values above 1.0 reflect a concentration greater than the national average. Values below 1.0 reflect a lesser concentration. For example, Las Vegas will have a location quotient greater than 1 in the Leisure and Hospitality industry because this industry makes up a larger share of the Las Vegas employment total than it does for the country as a whole.

- Largest Employers in Somerset County Tend to be in Education and Health

Among the largest county employers are UMES, Somerset Community Services (services for those with disabilities), McCready Health, and Aurora Senior Living. Each of these employers supplies health or educational services, though as noted above UMES is classified as state government. Another major public employer is the Eastern Correctional Institution, which employs approximately 850 people.⁴

Still, there are major employers that are not involved in education or health and that are private. The presence of Sysco Eastern Maryland and its estimated 450 jobs in the county supplies evidence that the county has potential to add additional distribution jobs, including potentially as part of the ongoing e-commerce revolution. The presence of Sherwin Williams/Rubberset and its 150 jobs strongly suggests that manufacturing may have potential as a growth segment in the county. The presence of Southern Connection Seafood and its 130 jobs delivers additional evidence of the county's ability to compete for jobs in both food processing (a manufacturing segment) and distribution.

⁴ Maryland Department of Public Safety and Correctional Services. *FY2018 Annual Report*. <https://www.dpccs.state.md.us/publicinfo/publications/pdfs/DOC2018AnnualRpt.pdf>.

Exhibit 22. Major Employers in Somerset County, 2018

Rank	Employer	# Employed	Product/Service
1	University of Maryland Eastern Shore (UMES)	855	Higher education
2	Eastern Correctional Institution	850	Correctional Services
3	Sysco Eastern Maryland	450	Food products distribution
4	Somerset Community Services	425	Services for the disabled
5	McCready Health	300	Medical services
6	Aurora Senior Living of Manokin	175	Nursing care
7	Sherwin Williams / Rubberset	150	Paint brushes
8	Southern Connection Seafood*	130	Seafood processing, distribution
9	Chesapeake Health Care (formerly Three Lower Counties Community Services)	105	Medical services
10	Metompkin Bay Oyster*	70	Seafood processing, distribution

Source: 1. Maryland Department of Commerce; 2. Somerset County Economic Development Commission; 3. Maryland Department of Public Safety and Correctional Services. *FY2018 Annual Report*. Notes: 1. Excludes post offices, state and local governments, national retail and national foodservice. * Includes seasonal workers

While large employers garner significant attention, the majority of Somerset County’s employers are small businesses. U.S. Census Bureau data indicate that as of 2016 more than 78 percent of private sector business establishments in Somerset County maintained fewer than 10 employees. Large establishments with more than 50 employees (like those listed in the previous exhibit) represent fewer than 4 percent of all establishments.

Recent data from the Bureau of Labor Statistics supply an industrial breakdown of private establishments in Somerset County. Most of these businesses are in the service sector, with more than a quarter in distribution (trade, transportation, and utilities).

There are 64 construction firms located in the county, which collectively represent more than 1 in 7 private establishments. McCready Health creates a demand for supporting enterprises, including physicians’ offices. Accordingly, the category that includes health services also represents about 1 in 7 county businesses. Leisure/hospitality encompasses more than 1 in 10 businesses.

Exhibit 23. Somerset County Private Business Establishments by Industry, 2018

Industry	# of Establishments	% of Total
Goods-Producing	101	23.7%
Natural Resources and Mining	21	4.9%
Construction	64	15.0%
Manufacturing	16	3.7%
Service Providing	326	76.3%
Trade, Transportation, and Utilities	114	26.7%
Information	5	1.2%
Financial Activities	29	6.8%
Professional and Business Services	41	9.6%
Education and Health Services	62	14.5%
Leisure and Hospitality	45	10.5%
Other Services	30	7.0%
TOTAL ESTABLISHMENTS	427	100.0%

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW) program.

- Somerset County’s Labor Force Participation Rate is Low

According to the U.S. Census Bureau, more than half of the population aged 16 and over in Somerset County is not in the labor force. The labor force participation rate in Somerset County is just 43.5 percent, well below the statewide average of 67.5 percent (2017 data).

There are at least three possible explanations. The first is that there are many retirees in Somerset County, perhaps drawn to places like Crisfield by a combination of waterfront and secure, condominium-based living. The second is that with unemployment elevated, many would-be workers have stopped looking for work, resulting in their departure from or lack of entry into the workforce. Third, it is conceivable that because large numbers of people are on social assistance, many residents rely upon public assistance; assistance that would be diminished or potentially lost by accepting employment. Given the relative youth of Somerset County’s population, it would appear that explanations two and three likely possess some explanatory force.

Exhibit 24. Employment Status of Workers, 2017

	Maryland	Somerset County
Population 16 years and over	4,800,851	21,979
% Civilian labor force	67.5%	43.5%
% Armed forces	0.6%	0.0%
% Not in labor force	31.9%	56.5%
Civilian labor force	3,239,167	9,564
% Employed	93.9%	89.8%
% Unemployed	6.1%	10.2%

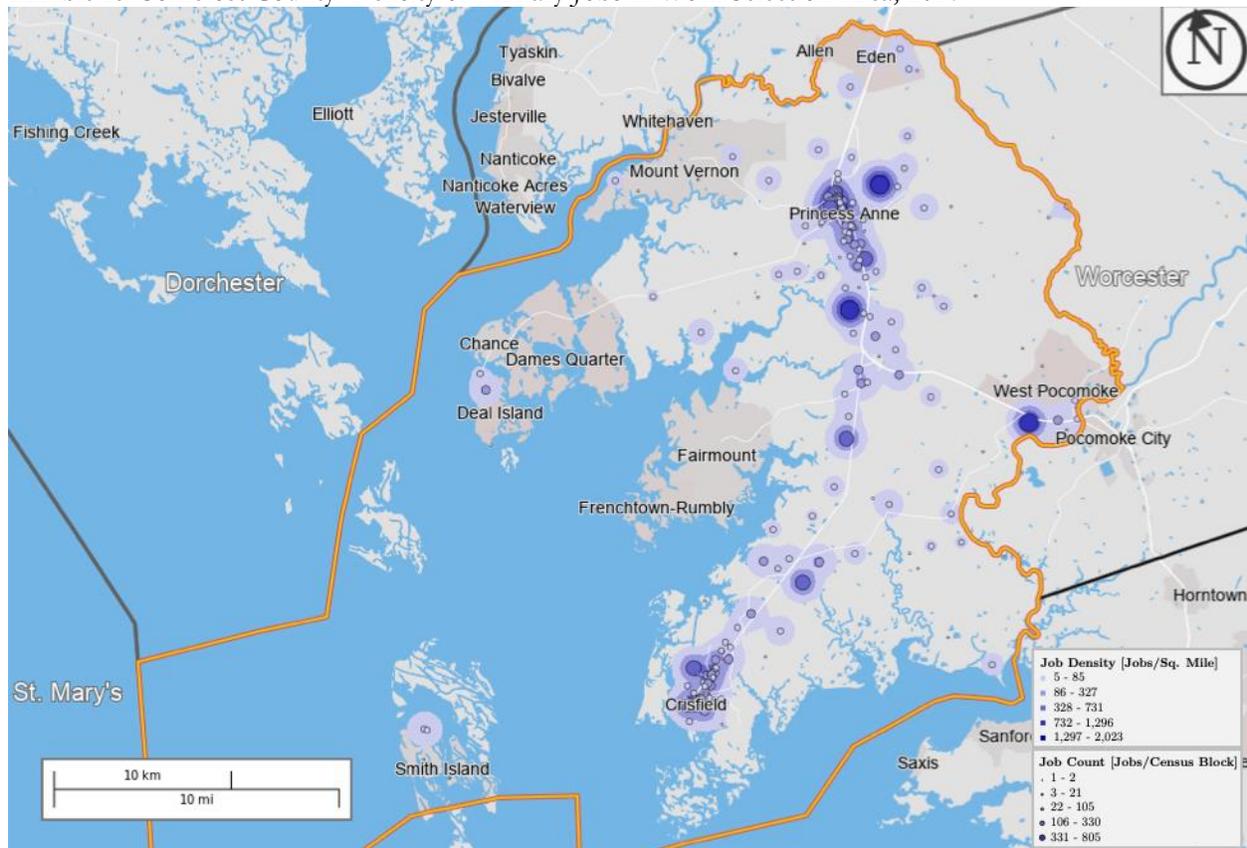
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates: DP03. Note: 2017 figures represent a 5-year average covering 2013-2017.

The map below indicates where employment opportunities are concentrated in Somerset County. Most jobs are in and around Crisfield to the south and Princess Anne to the north as well as along the corridor between them (along MD 413). There are also concentrations of jobs in Deal Island and West Pocomoke.

State/local government and healthcare employment is more prominent in Princess Anne due to the presence of major employers such as McCready Health, Aurora Senior Living of Manokin, and Chesapeake Health Care. Princess Anne is also home to University of Maryland Eastern Shore (UMES), a major employer and economic development asset.

In Crisfield, seafood processing and distribution are represented by large employers such as Southern Connection Seafood and Metompkin Bay Oyster. Some workers are only seasonal. Manufacturing in Crisfield is bolstered by the presence of Rubberset, a division of Sherwin Williams.

Exhibit 25. Somerset County: Density of Primary Jobs in Work Selection Area, 2017

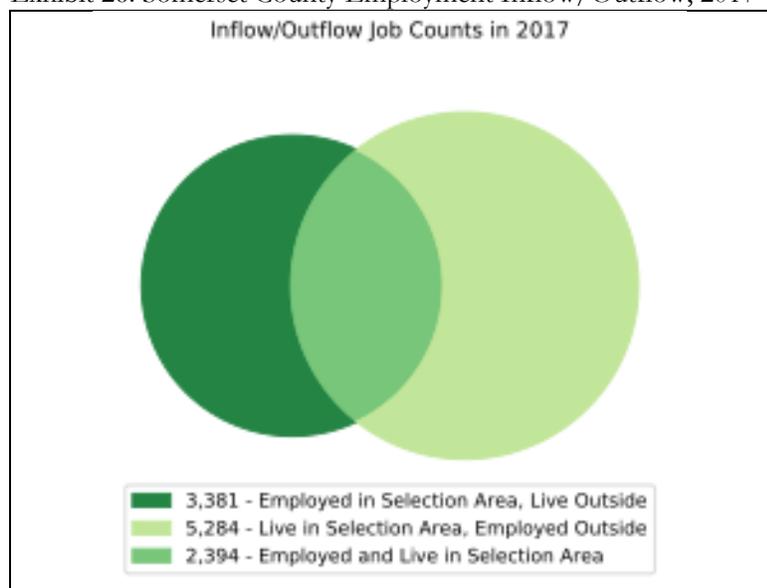


Source: U.S. Census Bureau. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. Notes: Numbers represent *primary* jobs, not total jobs. Primary Jobs: Public and private-sector jobs, one job per worker. A primary job represents the highest paying job for an individual worker.

While there are areas of the county offering significant numbers of employment opportunities, U.S. Census Bureau data indicate that a large number of Somerset County's employed residents commute beyond the county to work. The chart below indicates this (unfortunately, 2017 is the last year for which this information exists). The larger circle pertains to the number of employed Somerset County residents who leave the county for work. The smaller, darker green circle represents the number of people who commute from beyond the county to work in Somerset, including faculty and staff at UMES or healthcare workers at McCready Health.

The overlapping area represents the population that both lives and works in Somerset County. From the perspective of economic development, one of the principal objectives is to enlarge the size of this area, which would presumably reduce commuting times and improve quality of life.

Exhibit 26. Somerset County Employment Inflow/Outflow, 2017



Source: U.S. Census Bureau. Longitudinal-Employer Household Dynamics Program, OnTheMap Application. Notes: 1. Numbers represent *primary* jobs, not total jobs.

As of 2017, there were nearly 5,300 Somerset County residents who commuted outside of the county for work. Many of these workers head for Salisbury, the Eastern Shore’s largest commercial center. Fewer than 2,400 residents both lived and worked in the county, which translates into relatively low in-area labor force efficiency. Over time, the share of residents commuting to work beyond Somerset County has risen, from about 64 percent in 2002 to nearly 69 percent by 2017.

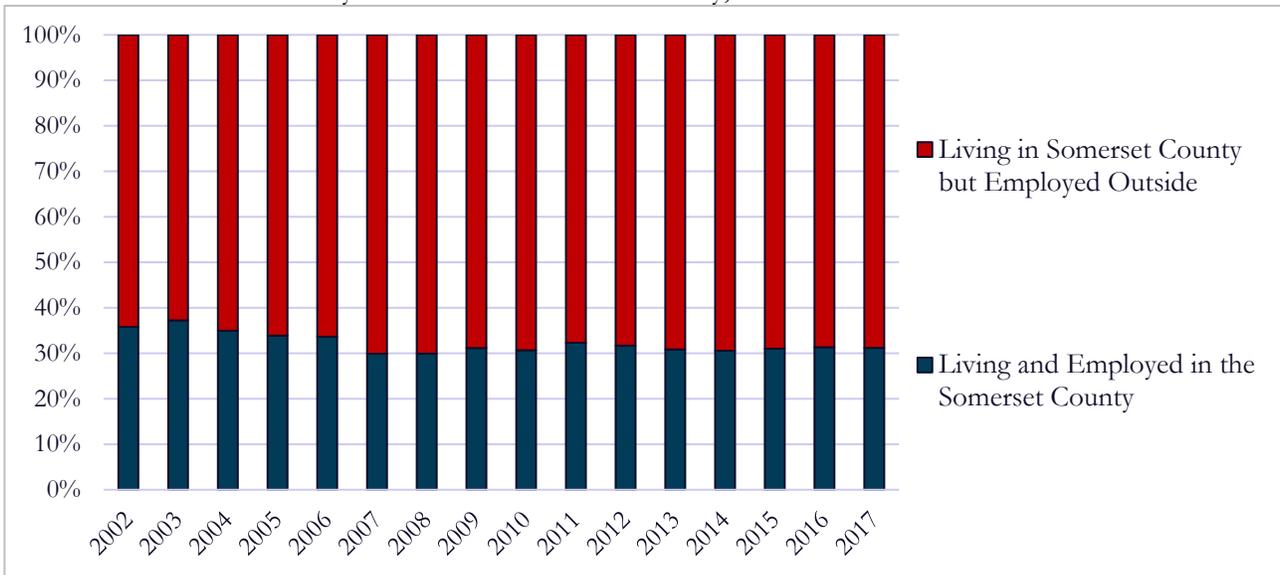
Perhaps more importantly, there were more than 3,300 people who lived outside of Somerset County, but who worked in the county. This group of people represents potential future residents and tax base.

Exhibit 27. Somerset County: Labor Market Details, 2017

Area Labor Market Size (Primary Jobs)	Count	Share
Employed in Somerset County	5,775	-
Living in Somerset County	7,678	-
Net job inflow	-1,903	-
In-Area Labor Force Efficiency		
Living in Somerset County	7,678	100.0%
Living and employed in Somerset County	2,394	31.2%
Living in Somerset County but employed outside Somerset County	5,284	68.8%
In-Area Employment Efficiency		
Employed in Somerset County	5,775	100.0%
Employed and living in Somerset County	2,394	41.5%
Employed in Somerset County but living outside the Somerset County	3,381	58.5%

Source: U.S. Census Bureau. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. Notes: 1. Numbers represent *primary* jobs, not total jobs.

Exhibit 28. Somerset County: In Area Labor Force Efficiency, 2002-2017



Source: U.S. Census Bureau. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. Notes: 1. Numbers represent *primary* jobs, not total jobs.

The need to attract more people who work in Somerset County, but who live elsewhere is rendered more apparent by the data presented below. As of 2017, nearly 1,900 people living outside of the county filled county jobs paying in excess of \$3,333/month, which translates into more than \$40,000/year if one presumes year-round employment. When Somerset County residents commute outside of the county, they are more likely to earn between \$1,251/month and \$3,333/month. There were nearly 2,300 workers in this category.

Exhibit 29. Somerset County: Employment Inflow/Outflow, Characteristics of Workers, 2017

	Somerset County Jobs Filled by Residents	Somerset County Jobs Filled by Outside Workers	Somerset County Residents Working Outside the County
<i>Number of Workers</i>	2,394	3,381	5,284
<i>Age</i>			
Age 29 or younger	407	604	1,320
Age 30 to 54	1,172	1,903	2,605
Age 55 or older	815	874	1,359
<i>Earnings</i>			
\$1,250 per month or less	494	495	1,190
\$1,251 to \$3,333 per month	973	1,010	2,241
More than \$3,333 per month	927	1,876	1,853
<i>Industry Class</i>			
Goods Producing	329	265	719
Trade, Transportation, and Utilities	307	596	1,218
All Other Services	1,758	2,520	3,347

Source: U.S. Census Bureau. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. Notes: 1. Numbers represent *primary* jobs, not total jobs.

Interestingly, there were more than 1,800 Somerset County residents who worked outside of the county who earned more than \$3,333/month. That represents a critical group since this population has demonstrated a level of skill that allows them to earn well. This is a group that might benefit from higher quality jobs locating to Somerset County, reducing their need to commute to commercial centers such as Salisbury or Ocean City. As indicated by Exhibit 30, more than a quarter of Somerset County residents with jobs in 2017 worked in Wicomico County.

Exhibit 30. Working/Living Destinations/Locations, 2017

Where Somerset County Residents are Employed			Where Somerset County Workers Live		
	Count	Share		Count	Share
Total Somerset Residents Working	7,678	100.0%	Total Workers in Somerset	5,775	100.0%
Counties			Counties		
1 Somerset County	2,394	31.2%	1 Somerset County	2,394	41.5%
2 Wicomico County	1,957	25.5%	2 Wicomico County	1,616	28.0%
3 Worcester County	532	6.9%	3 Worcester County	583	10.1%
4 Baltimore County	293	3.8%	4 Sussex County, DE	198	3.4%
5 Anne Arundel County	287	3.7%	5 Accomack County, VA	170	2.9%
6 Baltimore city	256	3.3%	6 Prince George's County	104	1.8%
7 Sussex County, DE	240	3.1%	7 Baltimore County	56	1.0%
8 Prince George's County	238	3.1%	8 Dorchester County	53	0.9%
9 Montgomery County	190	2.5%	9 Anne Arundel County	48	0.8%
10 Accomack County, VA	134	1.7%	10 Baltimore city	44	0.8%
All Other Locations	1,157	15.1%	All Other Locations	509	8.8%
Places			Places		
1 Salisbury city	1,224	15.9%	1 Crisfield city	484	8.4%
2 Crisfield city	602	7.8%	2 Salisbury city	472	8.2%
3 Princess Anne town	386	5.0%	3 Princess Anne town	213	3.7%
4 Baltimore city	256	3.3%	4 Pocomoke City	188	3.3%
5 Pocomoke City	126	1.6%	5 Fruitland city	144	2.5%
6 Fruitland city	109	1.4%	6 Eden CDP	78	1.4%
7 Ocean City town	77	1.0%	7 Mount Vernon CDP	72	1.2%
8 Berlin town	61	0.8%	8 Ocean Pines CDP	60	1.0%
9 West Pocomoke CDP	60	0.8%	9 Deal Island CDP	53	0.9%
10 Annapolis city	57	0.7%	10 Baltimore city	44	0.8%
All Other Locations	4,720	61.5%	All Other Locations	3,967	68.7%

Source: U.S. Census Bureau. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. Notes: 1. Numbers represent *primary* jobs, not total jobs.

One of the most interesting aspects of the current U.S. economic expansion has been the large numbers of unfilled jobs. With unemployment reaching a 50-year low, employers have been scrambling to find qualified workers. As of mid-2019, there were approximately 7.3 million available, unfilled jobs in America compared to about 6 million unemployed. In other words, there have been about 1.2 job openings for every unemployed American.

The exhibit below supplies statistical detail for Maryland, indicating that there is evidence of available job openings in Somerset County, but that only one major jurisdiction has fewer job openings per 1,000 population – Calvert County. As of 2018, there were 55.3 job openings per 1,000 population in Somerset County. Still, that represents a significant number of job openings per unemployed person – more than 2.2 (1,420 openings/625 unemployed = 2.27).

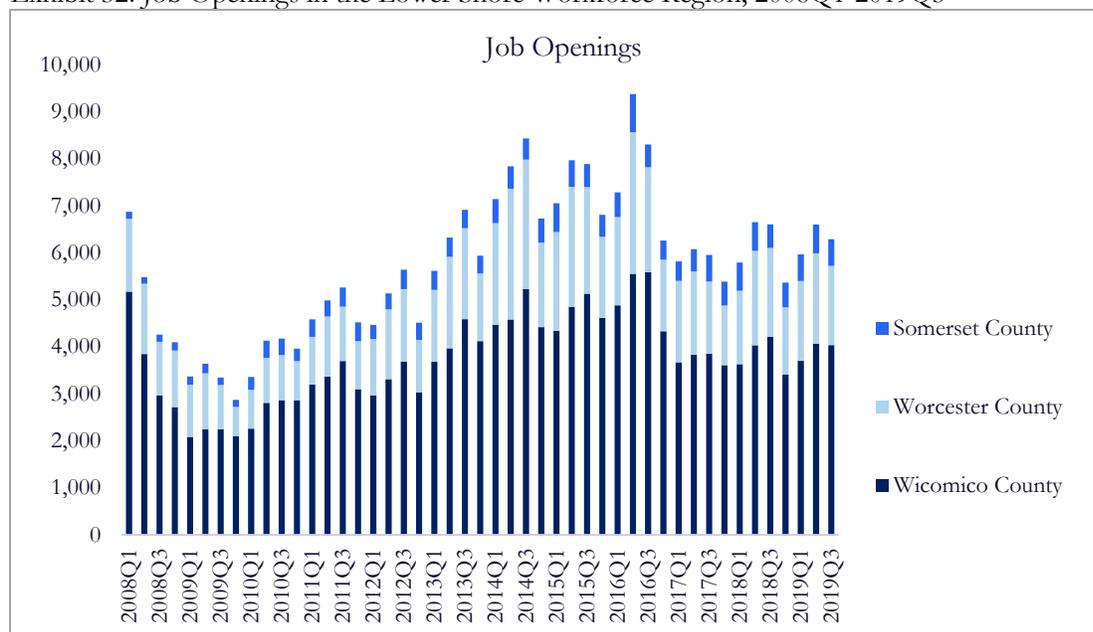
Exhibit 31. Job Openings by County Per 1,000 People, 2018

Area	Job Openings	Job Openings Per 1,000 Population	Area	Job Openings	Job Openings Per 1,000 Population
Howard County	88,521	273.9	Wicomico County	10,439	101.2
Baltimore City	158,593	263.2	Prince George's County	91,431	100.6
Talbot County	8,132	220.0	Allegany County	6,700	94.4
St. Mary's County	22,860	202.9	Cecil County	9,520	92.6
Anne Arundel County	100,629	174.7	Worcester County	4,651	89.7
Montgomery County	173,145	164.5	Charles County	13,119	81.2
Harford County	35,032	137.9	Queen Anne's County	3,789	75.4
Frederick County	32,910	128.7	Carroll County	11,106	65.9
Washington County	19,088	126.5	Garrett County	1,749	60.0
Baltimore County	102,124	123.3	Caroline County	1,937	58.2
Kent County	2,364	122.0	Somerset County	1,420	55.3
Dorchester County	3,298	103.1	Calvert County	4,107	44.6

Source: 1. U.S. Census Bureau, Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2018 (table: PEPANNRES). 2. Maryland Department of Labor-Maryland Workforce Exchange: Labor Market Information (online advertised jobs data). Notes: 1. The table shows the distribution of job openings advertised online in Maryland by county (Jobs De-duplication Level 2). 2. Jobs De-duplication Level 2: High level de-duplication of advertised job openings (for statistical analysis).

Among the state's regions, the Lower Eastern Shore is associated with the lowest number of job openings per 1,000 residents. As the exhibit below indicates, the leading source of job openings is Wicomico County. All things being equal, this suggests that Somerset County residents engaged in employment searches are likely to continue to secure new employment there.

Exhibit 32. Job Openings in the Lower Shore Workforce Region, 2008Q1-2019Q3



Source: Maryland Department of Labor-Maryland Workforce Exchange: Labor Market Information (online advertised jobs data). Notes: 1. Lower Shore Workforce Region - Comprised of Somerset, Wicomico, and Worcester Counties. 2. Job openings figures are Jobs De-duplication Level 2: High level de-duplication of advertised job openings (for statistical analysis).

- Toward a Brighter Future

Exhibit 33 supplies forecasts regarding expanding industries in the Lower Shore workforce region. Education and health services dominate, with educational services expected to add 2,200 net new positions over the course of a decade. Between them, outpatient care (ambulatory) and nursing/residential care will also supply about 2,200 net new jobs according to Maryland DLLR estimates. No other segments of the regional economy are expected to add more than 400 jobs on net, however.

Exhibit 33. Lower Shore Workforce Region: Top 10 Industries by Projected Employment Growth, 2016-2026

Rank (Total Growth)	Industry	Total Employment		2016-2026	
		2016 Est.	2026 Proj.	Total Growth	Annual % Growth
1	Educational Services	7,975	10,185	2,210	2.5%
2	Ambulatory Health Care Services	4,169	5,334	1,165	2.5%
3	Nursing and Residential Care Facilities	2,591	3,613	1,022	3.4%
4	Local Government (excluding education & hospitals)	4,238	4,627	389	0.9%
5	Specialty Trade Contractors	2,370	2,639	269	1.1%
6	Accommodation	2,886	3,151	265	0.9%
7	Administrative and Support Services	2,323	2,534	211	0.9%
8	Real Estate	1,054	1,239	185	1.6%
9	Food Services and Drinking Places	9,563	9,744	181	0.2%
9	State Government (excluding education & hospitals)	1,967	2,148	181	0.9%

Source: Maryland Department of Labor-Maryland Workforce Exchange

The primacy of healthcare as a potential employer is apparent in occupational data as well. As of early January 2020, the occupation offering the largest number of job openings (by far) in the Lower Shore workforce region is healthcare practitioners and related technical occupations. What's more, there are very few candidates per available job opening based on data emerging in part from the Maryland Workforce Exchange. Consequently, there is only one potential candidate per job opening. In other occupational categories, competition is fiercer. For instance, there are 14 candidates for each job in transportation and material moving, 16 candidates for each managerial opening, and 40 candidates for each job in office/administrative support.

Exhibit 34. Current Job Openings and Candidates in the Lower Shore Workforce Region by Top Occupation Groups with the Most Openings (as of January 2020)

Rank	Occupation Group	Job Openings	Potential Candidates	Candidates Per Job Opening
1	Healthcare Practitioners and Technical Occupations	440	429	1.0
2	Sales and Related Occupations	188	967	5.1
3	Food Preparation and Serving Related Occupations	178	588	3.3
4	Management Occupations	141	2,267	16.1
5	Office and Administrative Support Occupations	79	3,222	40.8
6	Transportation and Material Moving Occupations	72	1,023	14.2
7	Installation, Maintenance, and Repair Occupations	65	484	7.4
8	Healthcare Support Occupations	62	696	11.2
9	Education, Training, and Library Occupations	49	331	6.8
10	Personal Care and Service Occupations	35	227	6.5

Source: Maryland Department of Labor-Maryland Workforce Exchange: Labor Market Information (online advertised jobs data). Notes: 1. This table shows the distribution number of job openings advertised online, as well as potential candidates in the workforce system in Lower Shore Workforce Region, MD by occupation group on January 6, 2020 (Jobs De-duplication Level 2). 2. Jobs De-duplication Level 2: High level de-duplication of advertised job openings (for statistical analysis).

- Training is the Key

While there is much emphasis given to college degrees and to substantial experience, many available jobs require less than 2 years of experience and many emphasize mastery of skills that do not require a college education. Basic skills, for instance, encompass self-motivation. Among the other skills in demand are customer service skills and interpersonal skills. In other words, at the heart of securing employment today is a commitment to provide customers/clients with high quality services. Moreover, many jobs have as their primary skill a skill that is learned on the job as opposed to within a formal educational context.

To the extent that training is valuable, available data indicate that basic math is enormously helpful. This helps supply access to positions such as retail/cashiers and office clerks. There are also industry-specific skills to master, including in segments such as healthcare or construction/building maintenance. These skills can often be developed in the context of 2-year colleges or in apprenticeship programs.

Any economic development strategy must focus in part on the availability of training, particularly in the context of a community such as Somerset County with an unusually low level of labor force participation. Part of the solution rests with the transition from widespread dependence on public assistance to the creation of the next generation of jobseekers empowered to work in occupational categories offering plentiful job opportunities and living wages.

Exhibit 35. Lower Shore Workforce Region: Job Openings, Top 10 Advertised Job Skill Groups (as of December 2019)

Rank	Skill Group	Skill Sub-Category
1	Basic Skills	Basic
2	Customer Service Skills	Retail
3	Interpersonal Skills	Interpersonal
4	Occupational Therapist Skills	Medical Treatment and Therapy
5	Housekeeper Skills	Housekeeping
6	Registered Nurse (RN) Skills	Nursing
7	Maintenance Technician Skills	Maintenance, Installation and Repair - All Other
8	Office Clerk Skills	Office and Mail Services
9	Bill and Account Collectors Skills	Office and Mail Services
10	Cashier Skills	Retail

Source: Maryland Department of Labor-Maryland Workforce Exchange: Labor Market Information (online advertised jobs data). Notes: 1. This table shows the top advertised job skill groups found in job openings advertised online in Lower Shore Workforce Region, MD in December 2019. (Jobs De-duplication Level 1). 2. Jobs De-duplication Level 1: Low level de-duplication of advertised job openings (more jobs). 3. Basic skills include things like decision making, time management, organization, flexibility, problem solving, attention to detail, ability to work independently, self motivation, etc.

To provide a sense of the specific skills that may be most useful in expanding opportunity in Somerset County while expanding tax base, the exhibit below lists the tool/technology groups presently associated with the most substantial numbers of job opportunities. At the top of the list is office suite software, which is relevant to all types of workers, whether in healthcare, professional services, or retail. Other key technology groups include forklifts (relates to distribution) and ladders, which relates to a variety of segments ranging from public safety to construction and building maintenance.

Exhibit 36. Lower Shore Workforce Region: Job Openings, Top 10 Detailed Tools & Technology Requirements, in all Industries (as of December 2019)

Rank	Tool/Technology Group	Detailed Tool/Technology
1	Office Suite Software	Microsoft (MS) Office
2	Cash Registers	Cash Register
3	Automobiles or Cars	Motor vehicles
4	Ladders	Ladders
5	Keyboards	Keyboard
6	Hazardous Material Protective Apparel	Personal protective equipment
7	Ticket Dispensing Machines	Lottery Machine
8	Keyboards	Computer keyboard
9	Mobile Phones	Cell Phone
10	Pallet Trucks	Pallet Jack

Maryland Department of Labor-Maryland Workforce Exchange: Labor Market Information (online advertised jobs data).
 Notes: 1. The table shows the top 10 advertised detailed tools and technologies found in job openings advertised online in the Lower Shore Workforce Region, Maryland in December 2019 (Jobs De-duplication Level 1). 2. Jobs De-duplication Level 1: Low level de-duplication of advertised job openings (more jobs).

The table below supplies additional detail regarding the importance of healthcare in terms of supplying new employment opportunities. With respect to job certification requirements, healthcare comprises eight of the top ten certification sub-categories. Clearly, one of the elements of a more robust labor market is rendering healthcare training more accessible to Somerset County residents.

Exhibit 37. Lower Shore Workforce Region: Job Openings, Top 10 Advertised Job Certification Requirements (as of December 2019)

Rank	Certification Group	Certification Sub-Category
1	American Heart Association (AHA) CPR & First Aid Certifications	Nursing
2	Nursing Credentials and Certifications	Nursing
3	Commercial Drivers License (CDL)	Ground Transportation
4	National Registry of Food Safety Professionals (NRFSP) Certifications	Food Service Management
5	Social Worker Credentials & Certifications	Social and Human Services
6	Council for Professional Recognition - Credentials	Personal Care and Service - All Other
7	American Association of Healthcare Administrative Management (AAHAM)	Healthcare Management
8	American Association of Nurse Anesthetists (AANA) Certifications	Nursing
9	American Institute of CPAs (AICPA) Certifications	Financial Specialists
10	Cardiovascular Credentialing International (CCI) Certifications	Medical Testing

Source: Maryland Department of Labor-Maryland Workforce Exchange: Labor Market Information (online advertised jobs data). Notes: 1. This table shows the top advertised certification groups found in job openings advertised online in Lower Shore Workforce Region, MD in December 2019. (Jobs De-duplication Level 1). 2. Jobs De-duplication Level 1: Low level de-duplication of advertised job openings (more jobs).

Focus Groups & Interviews

- Community Stakeholders Supply Their Impressions

The Sage team conducted six focus groups with members of the community in July-August of 2019. Participants included residents, business owners/CEOs, representatives of local government, healthcare establishments, educational institutions, and other key stakeholders. There are a number of objectives that the study team sought to achieve while conducting these sessions, including identifying the most important economic development opportunities, challenges, threats, causal factors, and the broader community's wish list. The qualitative data garnered from the focus groups and from a handful of interviews conducted complement quantitative data, some of which is discussed above.

Strengths: Somerset County is home to a number of leverageable strengths, including an abundance of natural resources, the waterfront, heritage/history, relative affordability, and major institutions such as UMES and McCready Health. The recently established Crisfield arts and entertainment district represents an important cultural asset as does the new library in Crisfield. The accessibility of local government was also noted as a strength of Somerset County, including a highly responsive economic development office.

Focus group participants noted a variety of assets and unique qualities of Princess Anne, including UMES, the town's historical buildings, its main street district and the diversity of the community. A representative from the town reported that a number of new businesses have opened in town in the past year and a half.

Weaknesses/challenges: Among the community's primary challenges are elevated poverty, structural problems related to social assistance programs, childcare, transportation, workforce, employee turnover, and recruitment challenges. Perceptions and/or misinformation regarding Somerset County were also cited as challenges. In the wake of Hurricane Sandy, high flood premiums represent a deterrent for prospective home buyers and developers. Competition for businesses emerging from more populous Wicomico County and competition for visitors from beach/boardwalk intensive Ocean City/Rehoboth, etc. also represent key challenges.

A number of employers indicated that recruitment into the area represents a major challenge, as does finding workers with the right sets of skills. Basic skills, work ethic, and satisfying background checks were also cited as barriers to gainful employment. Several employers indicated that the success of their partnerships with Wor-Wic Community College had been erratic. Employers also indicated that keeping educated/trained workers in the community remains a challenge, especially given the relative proximity of employment markets like Washington, Baltimore and Philadelphia.

Despite the promise of Princess Anne, a number of stakeholders indicated the presence of challenges there. For example, one participant noted that from the perspective of a visitor, there is really only a single restaurant and a few shops to visit and that most businesses close early and many are not open at all on Sundays.

Opportunities: Tourism, notably ecotourism and heritage tourism, was almost universally agreed upon as a major area of opportunity for Somerset County. The potential for growing the tourism market is strengthened by upcoming improvements and additions to be rendered in the county in coming months, such as a new bike trail from Crisfield to Marion and new signage making local amenities more apparent. Many stakeholders discussed campgrounds/parks as a major potential source of visitation. In Princess Anne, a planned new hotel that could be developed in partnership with UMES continues to be discussed as does a potential new hotel in Crisfield.

The need to expand tourism activities to other parts of the year besides the summer months was often mentioned. Greater visitation throughout the year would provide more steady, predictable jobs/income for residents and businesses.

Among the other industries supplying opportunities are retirement living, outpatient health, construction, manufacturing (including craft beer) and distribution. Somerset County's geography and natural resources create potential for specialized agriculture like hemp farming or aquaculture to succeed. Energy related industries were cited as having potential for growth, with renewable energy and waste-to-energy representing two likely growth segments. Worker training is also viewed as a major opportunity, including in healthcare, logistics, and construction. The new Somerset County Technical High School is widely viewed as a major opportunity.

With respect to Crisfield, a number of opportunities were identified. Regarding the built environment, the need for a unifying architectural plan to create a sense of place in the city was mentioned as well as improvements to the sewer system. The idea of leveraging the waterfront as an asset to spur tourism and other industries like aquaculture was frequently supported as was the idea that business owners need to work together to improve the visitor experience. The idea of major waterfront development was raised by many participants.

Potential partnerships with local institutions were repeatedly mentioned, including with UMES, arguably the most important institution in Somerset County. Partnerships between business and the technical high school represent yet another set of opportunities.

Another set of opportunities emerges from stepped-up marketing. It was generally agreed that Somerset County is a wonderful place, and that it needs to be better marketed to prospective residents and visitors, including through cost-effective social media channels.

Threats: The leading threat to the community appears to be sea level rise and faltering stormwater infrastructure, at least based upon the views of a significant fraction of focus group participants. A significant portion of Somerset County is in a floodplain, making continued sea level rise and more violent storms/weather patterns a major issue for the county's future. Declining tax base was cited as another major threat, as was potential loss of financial support from state and federal agencies.

There was also considerable discussion regarding threats to the existing industrial base, including to a host of seafood distributors that collectively offer substantial numbers of employment opportunities. There is also concern about local agriculture in the context of large-scale production in other parts of the world and stubbornly low grain and other agricultural commodity prices.

One of the greatest threats regards young people. For younger children, there is in the judgment of many stakeholders a dearth of programming and activities. With respect to Crisfield, a number of stakeholders indicated that there is a lack of coordination across programs and no central location to help coordinate activities and efforts.

In this context, the Garland Hayward youth center in Princess Anne is indicated as a model for such a place. There is an existing facility in Crisfield that could serve as a youth center, one that would benefit from higher quality space and more formal, scheduled programming. Ideally, there would be some coordination between the youth centers in Crisfield and Princess Anne, including shared purchasing, programming, and collaboration.

Of course, even in the context of functioning youth centers, there is the perpetual challenge of inducing families and their children to participate in constructive activities. A number of stakeholders indicated that engaging children in middle and high school is especially challenging. However, failing to engage these children and to nurture them after school and on weekends risks a broad cross-section of negative outcomes. Some stakeholders agreed that there should be a concerted effort to cultivate role models/mentors through a youth leadership program for young adults, perhaps seniors in high school or those of college age.

The world remains challenging for those Somerset County residents who graduate high school, but don't expeditiously move on to college. A number of focus group participants pointed out that there was a time when high school graduates could apply for gainful employment at four major employers. That number has since been whittled down to two large employers, rendering job prospects more challenging and elevating the risk of social dislocation during the years immediately following graduation. Still, there is considerable demand for those willing to work in the skilled trades, whether in manufacturing, construction or other industries. There are still opportunities, but people need enough emotional intelligence and motivation to pursue them.

Stakeholders also indicated a relative lack of effort to encourage youth to pursue post-secondary education in or immediately around Somerset County. Having more bright young people attend UMES or Wor-Wic might encourage them to stay in Somerset to help fill positions, including in management, and/or to start new businesses. In other words, focus group participants indicated a desire to reverse historic brain drain. Two expanding fields that could help retain college graduates are healthcare and teaching. Maryland is a net importer of teachers. Training more of them in the Free State would keep more resources here.

SWOT

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ◆ UMES ◆ Presence of McCready Health ◆ Natural resources ◆ Main street Princess Anne ◆ Historic/cultural resources ◆ Low cost of living ◆ Relative proximity of Washington, Baltimore, & Philadelphia ◆ Easy access to Route 50 ◆ Princess Anne is a PFA; enterprise zone; HUB zone ◆ Somerset County is a HUB zone 	<ul style="list-style-type: none"> ◆ Geography/location/easy to bypass ◆ Limited transportation options ◆ Brain drain ◆ High unemployment relative to state, national averages ◆ Elevated poverty ◆ Enormous dependence on public assistance ◆ Secondary school system ◆ Unmet infrastructure needs ◆ Low population density ◆ Difficult to recruit managerial talent ◆ Broadband access/speed
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ◆ UMES partnerships ◆ Crisfield waterfront ◆ Workforce training ◆ Heritage tourism ◆ Eco-tourism ◆ Retirement and healthcare markets ◆ Manufacturing and logistics ◆ Aquaculture ◆ Continued regional cooperation ◆ Upgrade/expand infrastructure ◆ Wallops' Island ◆ New technical high school 	<ul style="list-style-type: none"> ◆ Sea-level rise ◆ Stormwater management infrastructure ◆ Long-term stewardship of the environment ◆ Substandard housing continues to deteriorate ◆ Dwindling tax base ◆ Departure of best and brightest young people ◆ Loss of recently formed businesses during next economic downturn ◆ Departure of large private employers ◆ Lack of entrepreneurship ◆ Loss of local healthcare delivery capacity due to ongoing evolution of segment

Evaluation of Existing Plans and Strategies

This report is hardly the only analysis of Somerset County's economy and future to have been conducted. Many studies have been completed over time, each of them offering fresh perspectives, meaningful insights, and innovative approaches. This section of the Sage team report summarizes the key findings and critical insights presented in the following reports:

- *Comprehensive Economic Development Strategy for The Lower Eastern Shore of Maryland*. Tri-County Council. Revised June 2018.
- Economic development portions of **Comprehensive Plans**
 - *Somerset County, Maryland Comprehensive Plan, 1996*.
 - *The Comprehensive Plan for the Town of Princess Anne, 2009*.
 - *City of Crisfield, Maryland Comprehensive Plan, 2007 with 2010 amendments*.
- *The Crisfield Economic Development Project*. Economic Development Advisors. February 2002.
- *Crisfield Action Plan: 2016-2020*. Greater Crisfield Action Coalition. February 2016.

Regional Economic Development Efforts

- *Comprehensive Economic Development Strategy for The Lower Eastern Shore of Maryland*. Tri-County Council. Revised June 2018.

The Tri-County Council's (TCC) Comprehensive Economic Development Strategy (CEDS) for the Lower Eastern Shore of Maryland is adopted by formal action of Somerset, Wicomico, and Worcester counties. The TCC facilitates development of the strategy for the region, which is a requirement for receiving federal funding through the Economic Development Administration (EDA).

Importantly, the TCC consults with other regional organizations, businesses, and community members to develop the strategy, which is updated annually. Goals outlined by the Tri-County Council's Comprehensive Economic Development Strategy (CEDS) have been the same since the 2006 CEDS and are fourfold: 1. sustain and diversify the economy; 2. improve workforce training and skills; 3. ensure appropriate infrastructure; and 4. maintain and improve the region's quality of life. Specific short-term and long-term actions to support the achievement of each of the goals are outlined by the CEDS. We focus in particular on goals 1 and 2, though all are important with respect to broadly shared quality of life and fiscal sustainability.

Goal 1: Sustain and Diversify the Economy: "We will support resident businesses and industries by helping them in their competitiveness and also attract new industry sectors to the region that are compatible with our socio-economic environment." (p. 22).

For goal 1 (sustain and diversify the economy), short-term actions planned include: expanding tourism linkages and regional tourism opportunities, engaging universities, colleges and federal research facilities in regional economic development, pursuing a Foreign Trade Zone designation, upgrading the Maryland-Delaware railroad to accommodate more trains, carrying out a regional industry sector analysis to determine additional action items, and providing "comprehensive space centrally located in the regional district that is easily accessible and satisfies workforce training and business development needs and programs." Planned long-term actions include the pursuit of "a targeted marketing effort to determine how best to "brand" and "sell" the region to potential new businesses and entrepreneurs" (p. 76).

The CEDS identifies a number of key indicators to be utilized to measure progress towards the goal of sustaining and diversifying the economy, including total employment growth for the region, unemployment rate, employment by sector, aggregate payroll by sector, number of businesses by sector, distribution of businesses and employees by size of business, and sales and use tax receipts (p. 23).

Goal 2: Improve Workforce Training and Skills: "We will ensure that workers and job seekers of all ages have awareness of and access to the education and training opportunities needed to succeed in both our existing industries and in the new industries we seek to attract." (p. 22).

For goal 2 (improve workforce training and skills), short-term actions outlined by the CEDS span a range of efforts. One planned action is to "investigate a web-based feedback loop whereby

employers can be surveyed on their workforce needs and specific skills needs and available jobs can be communicated to 1) potential employees throughout the State and 2) regional education/training institutions, including K-12 and higher education institutions”, with particular focus on the impact of the aging population. A sub-goal is to tap into the skills of arriving retirees and to ensure that there is a trained workforce capable of serving the needs of an expanding elderly population (p. 78).

Other short-term actions include pursuing a health care training initiative, supporting dual enrollment, expanding and pursuing funding for internships, apprenticeships, and co-ops, and pursuing education/training funds for the middle-income population that does not qualify for other assistance. Planned actions to support goal 2 also include the provision of “comprehensive space centrally located in the regional district that is easily accessible and satisfies workforce training and business development needs and programs” (p. 78). It should be noted that this action overlaps with goals 1, 2, and 3 of the CEDS.

The CEDS identifies a number of key indicators it will use to measure progress towards the goal of improving workforce training and skills. Among those indicators are high school graduation rates, high school dropout rates, college bound seniors mean SAT scores, Lower Eastern Shore residents pursuing an undergraduate degree in Maryland, average weekly wage by sector, employers’ perceptions of workforce quality and training needs, the impact of EARN grants received on the Lower Eastern Shore, mental health and substance abuse, funding for job readiness programs, and the number of people who have successfully completed job readiness programs (p. 23).

CEDS also supplies data regarding a number of these indicators. For instance, data from the Maryland State Department of Education presented in CEDS indicate that high school graduation rates in Somerset, Wicomico, and Worcester counties declined substantially from 2015 to 2016, and then increased in 2017. The high school dropout rate in Somerset County increased from 2015 to 2016 and 2016 to 2017. In Wicomico and Worcester counties, the dropout rate rose in 2016 and then declined in 2017. College bound seniors’ mean SAT scores in 2017 were lower than the statewide average in Somerset and Wicomico counties and higher than the statewide average in Worcester County (p.33-34). Because the SAT underwent significant changes since the 2016 assessment, scores prior to 2017 are not directly comparable to 2017 scores.

CEDS also provides data regarding the share of Eastern Shore residents pursuing an undergraduate education in Maryland and the share of those residents attending a college in the Lower Eastern Shore (e.g. Wor-Wic Community College, Salisbury University, or UMES). The data indicate that in fall 2016, between 45-52 percent of residents pursuing an undergraduate education attended Wor-Wic Community College (p. 34).

Data characterizing performance along certain key dimensions, including the impact of EARN grants received on the Lower Eastern Shore, employers’ perceptions of workforce quality and training needs, funding for job readiness programs, and the number of people who have successfully completed job readiness program, are not available in CEDS.

Somerset County

- *Somerset County, Maryland Comprehensive Plan, 1996.*

The most recent Comprehensive Plan for Somerset County was adopted in 1996, nearly a quarter century ago. The plan embodies a comprehensive analysis of the county's resources, county trends, and outlines a comprehensive set of goals in the areas of economic development, land-use, community development, housing, community facilities, transportation, environment, infrastructure/utilities, finance and administration, and other issues of import.

The Comprehensive Plan outlines the following economic development goals: 1. diversify the economy to provide for an expanding employment base which will lead to full employment in the county; 2. maintain a business retention and expansion program to assist local firms and businesses to find new markets nationally and internationally; 3. promote the development of new processes and products with special emphasis on agriculture, aquaculture and related processing industries; 4. encourage University of Maryland Eastern Shore (UMES) research on the Chesapeake Bay and model aquaculture programs; 5. protect environmentally sensitive and resource areas by promoting economic development in suitable areas in accordance with the Planning Act of 1992; 5. target select industries for labor re-training programs; 6. preserve viable, traditional, water-related activities and businesses (p.4).

While the Comprehensive Plan is more than twenty years old, these economic development goals remain relevant and applicable to development efforts going forward. In addition, several broad/general initiatives outlined in Comprehensive Plan's strategy for implementing economic development are especially enduring. For instance, the Comprehensive Plan emphasizes the importance of cultivating tourism in Somerset County and supporting the continued development of attractions, activities, and regional promotional efforts. It also states that to garner long-term support for tourism as an appropriate economic development strategy, community involvement should be sought (p.22).

The plan also acknowledges the central importance of UMES. It states that the County and UMES should work together cooperatively, particularly in the design of a hydroponics facility on campus that would serve as a business incubator supported by the business and technology programs at the University (p. 22). The plan also states that the County and particularly the Town of Princess Anne should take advantage of the university's expansion plans. The plan recommends that downtown Princess Anne businesses orient their goods and services toward the demand generated by the UMES population and that the County and the Town support the establishment of a "storefront" retail incubator downtown to encourage entrepreneurial activity (p. 22).

The Comprehensive Plan also emphasizes the need for broad consensus and cooperation among the diverse interests of the community:

"The County should emphasize sustainable economic development efforts by building a broad consensus on: the value of job creation, enlarging the tax base, and recognizing the multiplier impact of new local spending in supporting service industries. The County has diverse interests and needs which should be reflected in the development and implementation of economic development strategies. The consensus must survive changes in leadership and political administrations." (p. 21).

To achieve objectives, the Comprehensive Plan outlines several steps. One is the creation of a “structured leadership development program to introduce County issues, programs and services to a diverse group of community leaders” and to “create effective volunteers, generate positive public opinion and help build consensus on major issues facing the County” (p. 21). Another suggested step is the continuance of the Economic Development Commission’s task force efforts in education, marketing, and permitting regulations. Finally, the plan states that in order to build broad consensus, it is important to recognize the inherent differences in the economies of Princess Anne and Crisfield, noting that “a single strategy may not be appropriate for both communities, but opportunities for cooperation should be explored” (p. 21).

Princess Anne

- *The Comprehensive Plan for the Town of Princess Anne, 2009.*

The most recent Comprehensive Plan for the Town of Princess Anne was adopted in 2009. It outlines the Town’s goals for future development. With respect to economic development, the Comprehensive Plan outlines guiding principles, goals, policies and planned actions. The plan’s general statement on economic conditions in the Town of Princess Anne is that the town has growth potential, particularly in high-tech sectors, but that its workforce does not have the appropriate skills to support segment expansion. The plan also emphasizes the Town’s relationship with UMES as its greatest potential economic strength—and the need to promote positive connections in every way possible.

Primary economic development goals the Town seeks to achieve through 2030 include that: 1. the collective efforts of concerned citizens, organizations, businesses, and governmental agencies are harnessed to promote sustained economic growth; 2. institutions in and proximate to Princess Anne become engaged in the community, providing technical support and training for businesses and residents; 3. commercial and employment growth is focused at specific locations for their regional transportation and local service advantages and to preserve the character of the Town; 4. Princess Anne emerge as a destination place; 5. a greater share of UMES students be retained in the Princess Anne community after graduation by providing high quality life standards and employment opportunities (p. 84-85).

The Comprehensive Plan also outlines key policies and actions. For example, the plan states that it is the policy of Princess Anne that the “Town should work with local businesses and institutions along with state and regional governments to provide job training opportunities for local residents”. The policy encompasses: 1. the opportunity for training partnerships resulting from increasing interest from high tech firms (related to Wallops Island) and the HUB Zone designation; and 2. the potential expansion of the Eastern Correctional Institute and the opportunity to work with UMES to train Princess Anne residents for those jobs (p. 85). A sample of the plan’s recommended actions include: 1. undertaking a joint effort with UMES and downtown merchants to develop a community theater, gallery, and student-run businesses; and 2. applying to the Maryland Department of Housing and Community Development for grant monies as a “Main Street Maryland” community. The Comprehensive Plan states that the accomplishment of those and the other outlined actions will be evaluated at the time of the next six-year update of the plan (p. 86).

Crisfield

- *City of Crisfield, Maryland Comprehensive Plan, 2007 with 2010 amendments.*

The most recent Comprehensive Plan for the City of Crisfield was adopted in 2007 and amended in 2010. The plan's recommended policies and actions are organized around five major themes: 1. redevelopment and ecological restoration; 2. redevelopment consistent with community character; 3. development in balance with community facilities and services; 4. development in balance with regional planning policies; 5. reinvigorating neighborhoods (p. 2).

Under the theme of "redevelopment consistent with community character", one of the plan's objectives is to protect remaining waterfront industries from the impacts of new development. There is also a demonstrated desire to promote a "Main Street" commercial and entertainment area in the central business district. There are also many recommended actions that fall squarely within the four corners of economic development, such as the creation of a downtown historic/entertainment district (p. 38-39).

Under the theme of "development in balance with regional planning policies", a number of the plan's outlined actions relate to coordinating with County and State officials to promote economic development, attract employment opportunities, and revitalize commercial space in the central business district. The plan also acknowledges the importance of accessible transit service, stating that the City will cooperate with Shore Transit to ensure public transit services are expanded to serve residents as needed (p. 43).

- *The Crisfield Economic Development Project.* Economic Development Advisors. February 2002.

In 2002 Economic Development Advisors was asked to examine economic development procedures in Crisfield and propose improvements. The resulting report's main findings were that: 1. Crisfield is a community suffering severe long-term economic distress; 2. Crisfield is a community rich with opportunity; and 3. Crisfield is not organized to seize economic opportunity (p.11). The report concluded that the greatest economic development need in Crisfield is the capacity to implement projects that offer real potential for improving the economy, observing that:

"Crisfield has essentially no capacity to examine new (or old) opportunities, select those that demonstrate feasibility and successfully implement those chosen. The town's government is focused on the delivery of essential services and does not have specific resources or personnel devoted to pursuing economic development activity. When an opportunity presents itself, leadership is created on an ad hoc basis, if at all. Such an approach has been unsustainable over the time periods typically required for significant economic development projects and never generates proactive efforts to initiate economic growth." (p. 11)

The report's main recommendation was the creation of a highly focused, professionally staffed not-for-profit economic development corporation. The report proposed the creation of the Crisfield Economic Development Corporation, Inc. (CEDC) organized as a 501c(3) corporation. The proposed CEDC would operate in close communication and cooperation with the Mayor and City Council of Crisfield and function as the implementation arm of the Mayor and Council for economic development activities.

The report envisioned the organization being run by a volunteer board of directors committed to the following corporate mission: “CEDC will maximize the economic potential of this community by serving as a conduit for successful redevelopment, revitalization and new development, while supporting and maintaining Crisfield’s strong sense of community” (p. 3).

The report cautioned that: “...in the absence of a new energetic approach to economic development that includes an organization with the skills, knowledge, resources, and passion to see good ideas to a successful conclusion, there is little reason to expect Crisfield will reverse its economic decline” (p. 4).

- *Crisfield Action Plan: 2016-2020*. Greater Crisfield Action Coalition, February 2016.

The Board of the Greater Crisfield Action Coalition (GCAC) Inc. – a 501(c)3 corporation -- generated the Crisfield Action Plan for 2016-2020 with input from community stakeholders and a planner. The action plan is intended to be a living document subject to change based upon the emergence of new ideas and opportunities and evidence that ongoing initiatives are either working or not. The action plan’s five-year goals for economic and community development are grouped into five focus areas: 1. branding and marketing; 2. business building; 3. workforce development; 4. homes and home ownership; and 5. youth and recreation.

For each focus area, specific goals to be achieved over the next five years are outlined. For example, for business building, action plan goals include: 1. make 25 storefront improvements; 2. increase existing business revenue by 25 percent; 3. start 25 new tourism-related businesses; 4. create 125 new jobs; and 5. create demand for a hotel and convention center development (p. 34). For each of the focus areas, the action plan also outlines detailed action steps and identifies for each action: the person/group responsible, budget, budget resource, timeline, and expected impact and return on investment.

Some of the initial actions to help support businesses include applying for an EDA planning grant of \$300,000 for Phase I planning and feasibility research, applying for CED grant for small business development on Main Street, and developing three years of baseline data characterizing economic activities. These activities were to be carried out by the GCAC Board, volunteers, and others and to be funded by donations (p. 51).

The action plan notes that all expenses associated with the plan and the corporation’s actions have been funded by contributions from citizens and supporters of Crisfield, not grants. The action plan also stresses that it is a grassroots effort: “more about **Crisfield helping itself** than about others helping Crisfield” (p. 2). In the process of developing the action plan, the Greater Crisfield Action Coalition engaged in a significant amount of community engagement. The coalition met with City officials including the Major, City Manager, City Council, and County Administrator to discuss the plan and receive input (p. 28). The coalition also held a series of public meetings (p. 30).

Recommendations & Goals

1. Dramatically Diminish Dependence on Public Housing in Crisfield over 20 Years

In the range of 40 percent of Crisfield’s population lives in subsidized housing. While many residents express a reluctance to lose the benefit of public assistance, we conclude that Crisfield cannot become a vibrant commercial area or establish fiscal sustainability without creating an environment associated with a larger, better trained workforce, more homeowners and taxpayers.

The transitional model we conceive emerges from, of all places, China. During the 1970s, China represented one of the world’s slowest expanding economies. Its economy was largely comprised of heavily politicized, low productivity state-owned enterprises. The problem was that reforming these enterprises could vastly increase unemployment and social strife, effectively trapping China in a structure that would prevent it from accelerating economic growth and expanding prosperity across the countryside.

In response, in October 1978, the Sichuan provisional government launched a pilot project to expand enterprise autonomy in six select categories. Reforms persisted in Sichuan and elsewhere, with Chinese state-owned enterprises encouraged to reform and in many cases to privatize. By the end of 2001, 86 percent of all such enterprises had been restructured and about 70 percent had been partially or fully privatized. The number of state-owned enterprises declined from 64,737 in 1998 to 27,477 by 2005. At the same time, industrial output surged.

As the public sector shrank, the private sector expanded. The number of private enterprises increased from 440,000 in 1996 to 1.32 million in 2001, moving from 17 percent of all enterprises to nearly 44 percent in the process. Remarkably, between 1983 and 2003, the public sector’s share of Chinese industrial output fell from 73 percent to 11 percent.⁵

Why is this relevant to Crisfield? Because the Chinese economy grew its way out of dependence on inefficient state-owned enterprises, and Crisfield must grow its way out of dependence on public assistance, including in the form of subsidized housing. Accordingly, the Sage study team proposes that over the course of 20 years, approximately the length of a generation, the share of Crisfield population that lives in public housing steadily decline from approximately 40 percent to 10 percent.

This will involve many steps, including: 1) steady, scheduled retirement of public housing units, with the most dilapidated units retired first; 2) redevelopment of assisted housing into workforce housing, whether through rehabilitation or new construction, whichever is more cost efficient in terms of elevating living standards; 3) greater connectivity between residents and training programs, with logical focus in particular on health and personal care, among the region’s fastest growing industries; 4) potential redirection of monies presently used for housing subsidies to pay for tuition/training; and 5) incentives to transition to homeownership.

⁵ China Labour Bulletin. “Reform of State-owned enterprises in China”. 2007. <https://clb.org.hk/en/content/reform-state-owned-enterprises-china>.

The Crisfield Housing Authority currently owns and manages 330 public housing units.⁶ This form of public subsidy represents just one form of assistance. The exhibit below indicates that as of 2017, more than three-quarters of Crisfield’s children lived in households receiving some other form of assistance, including food stamps or cash assistance.

Exhibit 38. Crisfield: Children Living in Households Receiving Public Assistance, 2010-2017

Crisfield City, MD	Population under 18 years in HHs	% living in HHs w/ SSI, Cash public assistance income, or SNAP in the past 12 months
2010	654	58.6%
2011	679	67.0%
2012	675	60.4%
2013	725	69.4%
2014	819	63.5%
2015	769	80.5%
2016	757	79.1%
2017	745	76.5%

Source: Census Bureau ACS 5-Year Estimates, Table B09010

In 2016, following extensive damage to public housing units in Crisfield from Hurricane Sandy four years earlier, there was some discussion regarding relocating public housing units. Somerset County set aside \$75,000 out of a \$16.7 million federal grant awarded for Hurricane Sandy relief to fund the study. Somerset County Commissioners awarded the contract to Design Atlantic of Salisbury. The firm planned to work with a steering committee made up of local officials and residents. The study was not intended to look at specific sites, but to assess acreage requirements, access to public transportation and public water and sewer systems.⁷

The Sage study team’s focus is not on relocating public housing units, but retiring them over time in large numbers. We are not alone. In November 2018, HUD’s Office of Public and Indian Housing (PIH) sent a letter to public housing agency (PHA) executive directors declaring the agency’s intent to dramatically reduce the public housing stock. HUD identifies four mechanisms by which to reduce the number of public housing units: 1) demolition/disposition; 2) facilitation of voluntary conversion of public housing to vouchers; 3) the Rental Assistance Demonstration (RAD) program, and 4) the retention of assets after a Declaration of Trust (DOT) release.⁸

There is a growing body of evidence suggesting that vouchers work. A recent study by economists Raj Chetty, Nathaniel Hendren, and Lawrence Katz at Harvard found that young children in families

⁶ U.S. Department of Housing and Urban Development, Office of Inspector General. “Crisfield Housing Authority, Crisfield, MD-Public Housing Program Operating and Capital Funds”. Audit Report Number: 2018-PH-1007. September 25, 2018.

⁷ Delmarva Now. “Crisfield's public housing could be relocated” by Liz Holland. 2/23/2016. <https://www.delmarvanow.com/story/news/local/maryland/2016/02/23/study-consider-crisfield-public-housing-relocation/80797620/>.

⁸ National Low Income Housing Coalition (NLIHC). “HUD Letter to PHAs Signals Intent to Dramatically Reduce Public Housing Stock”. 2/25/2019. <https://nlihc.org/resource/hud-letter-phas-signals-intent-dramatically-reduce-public-housing-stock>.

that used housing vouchers to move to better neighborhoods fared much better as young adults than otherwise similarly situated children who remained in extremely poor neighborhoods.

The study provided the first look at adult outcomes for children who were younger than 13 when their families entered the Moving to Opportunity (MTO) demonstration. Many have characterized the MTO demonstration as a rigorous, random-assignment, multi-decade comparison of low-income families who used housing vouchers to relocate to low-poverty neighborhoods to similar families that remained in public housing developments in poor neighborhoods. The study found that young girls and boys in families that used an MTO voucher to move to lower-poverty neighborhoods were 32 percent more likely to attend college and earned 31 percent more — nearly \$3,500 a year — as young adults than children in families not receiving a voucher. Girls in families that moved to lower-poverty neighborhoods were 30 percent less likely to be single parents as adults.⁹ According to authors Chetty, et al. their findings indicate that moving families with young children from high-poverty public housing to lower-poverty neighborhoods may reduce the intergenerational persistence of poverty and ultimately generate positive returns for taxpayers.¹⁰

This is not an argument for or against vouchers. Rather, it is an argument that shifting people out of highly constraining circumstances, such as public housing in Crisfield, can produce incredibly positive outcomes for those people. In this instance, it would also produce good economic outcomes for Crisfield.

Accordingly, the Sage team recommends that the local housing authority forge a plan with the U.S. Department of Housing and Urban Development to create a schedule to gradually retire public housing units. Since the housing authority presently maintains approximately 330 units, over the course of 20 years, reducing this stock by seventy-five percent would translate into a reduction of roughly 250 units, or 12-13 per year.

⁹ Center on Budget and Policy Priorities. “The Future of Housing in America: A Better Way to Increase Efficiencies for Housing Vouchers and Create Upward Economic Mobility”, Testimony of Barbara Sard, Vice President for Housing Policy, Before the House Financial Services Subcommittee on Housing and Insurance, 9/21/2016.

<https://www.cbpp.org/sites/default/files/atoms/files/9-21-16hous-testimony.pdf>.

¹⁰ Raj Chetty, Nathaniel Hendren, and Lawrence F. Katz, “The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment,” August 2015, http://www.equality-of-opportunity.org/images/mto_paper.pdf.

2. Princess Anne/Mainstreet/UMES Partnership

Traditional economic development approaches tend to emphasize the recruitment of major corporate facilities via tax breaks and other financial incentives.¹¹ However, given the tendency for corporations to offshore or consolidate production over time, this strategy has become less appealing.

Given greater competition for new facilities, some communities seem to have deemphasized economic development altogether. The Sage study team views this as unwise since there are other approaches to promote economic development beyond the recruitment of facilities.

One of these approaches is broadly known as place-making. Conceptually, place-making is basic – it involves a combination of public and private investment and planning to create spaces in which people want to congregate and ultimately interact economically.

It is not enough to create beautiful spaces. Beautiful spaces in and of themselves do not translate neatly into transactions – it is ultimately transactions that translate into tax base. The key is to interweave beauty with amenities. Certain amenities are particularly treasured. A 2006 survey of North Carolina localities found that a higher percentage of small communities indicate that attracting retail and service businesses is a priority compared to larger communities.¹²

Note that place-making represents a longer-term proposition than traditional economic development. Traditional economic development is more likely to focus upon large-scale events that produce significant numbers of new employment opportunities in one fell swoop.

Place-making is not about large events. It is about organic, steady growth driven by the expansion of existing businesses and by episodes of entrepreneurship, including in the form of new specialty retailers and fine dining establishments.

What place-making and traditional economic development have in common are a focus on 1) attracting private investment; 2) creating employment opportunities; 3) raising living standards; 4) reducing inventories of vacant/under-utilized space; and 5) creating tax base. However, place-making is far more likely to create a general sense of well-being in the community, including among young people and retirees who would not stand to benefit directly from the relocation of a plant or back office operation to their community. After all, one of the goals is to support beautiful gathering places.

One likely implication of successful place-making or place-based development is the attraction of artists and other creative personalities. Beautiful places tend to be a breeding ground for inspiration and entrepreneurship.

Exhibit 39 describes a number of small-town development strategies. Appendix B provides several examples of small towns that have pursued various development strategies, including place-based development focused on tourism.

¹¹ Morgan, Jonathan Q., and William Lambe. “Find a way or make one.” *Economic Development Journal* 8, no. 3 (2009): 5-13.

¹² Id.

Exhibit 39. Small Town Economic Development Strategies

Economic Gardening	Place-Based Development	Creativity & Talent Cultivation	Innovative Industrial Development
The general theme of gardening is to “grow your own” by cultivating local entrepreneurs and creating an environment that supports their growth. This can include tax breaks, rent discounts and other conceivable financial incentives.	Place-based development incorporates strategies that capitalize on the distinctive characteristics of a particular place. Such characteristics might include the natural environment, cultural heritage, specialized infrastructure, and arts/crafts traditions.	Creativity & talent cultivation uses tactics that focus on attracting knowledge workers, equipping people with skills, and preparing people for community leadership. Arts and culture are often used to attract and retain talent and as occupational targets for apprenticeship and training programs.	Innovative industrial development incorporates business clustering and regional collaboration; often emphasizes “green” development; and makes use of creative incentive tools.

Source: Morgan, Jonathan Q., and William Lambe. “Find a way or make one.” *Economic Development Journal* 8, no. 3 (2009): 5-13.

The study team concludes that Princess Anne is perfect for place-making. Its gracious architecture and defined main street render it a potential destination. What is required is greater economies of scale and scope to induce more people to come to Princess Anne, whether for dining experiences, to purchase specialty items, or simply to walk.

This hardly represents new thinking. The Princess Anne Comprehensive Plan states:

“It is the policy of Princess Anne to promote the “Main Street” approach for downtown. This approach includes implementing strategies for marketing downtown, economic restructuring, revitalizing downtown by improving the facades of the buildings, community design improvements, and strengthening the organizations and institutions that support a vibrant downtown.”

The Princess Anne Comprehensive Plan presents the following economic development actions; actions consistent with the main street approach:

1. The Town will undertake a joint effort with UMES and downtown merchants to develop a community theater, gallery, and student-run businesses.
2. The Town will apply to the Maryland Department of Housing and Community Development for grant monies as a “Main Street Maryland” community and make use of the technical assistance the State can provide.
3. The Town will coordinate with the County, State, UMES, the business community, and others to develop a coherent marketing strategy to promote Princess Anne as a tourist destination.
4. The Town will retain an economic development consultant as a Main Street executive director with specialty in retail revitalization and downtown redevelopment to develop and implement a strategy for promoting redevelopment in the Mount Vernon Road Gateway District and ongoing revitalization of downtown.
5. The Town will form a working group, comprised of students, business owners, to promote job training and development in the Princess Anne area involving local business owners.¹³

All of these recommended activities are consistent with place-making, which is about more than altering the appearance of physical space. In addition to more beautifully maintained facades and other structures is the need for the people who supply talent, creativity, and entrepreneurial spirit to a community.

¹³ *The Comprehensive Plan for the Town of Princess Anne, 2009*. p. 85-86.

3. Invest No Public Monies Directly in a Downtown Crisfield Hotel

The study team has interacted with many stakeholders who believe that downtown Crisfield would benefit massively from an upscale, full-service hotel with meeting facilities. We agree. There would be a substantial increase in streetscape activity with the development of a successful hotel.

The hotel could prove to be the catalyst for business formation along W. Main St. among other thoroughfares. This may also result in existing businesses maintaining more routine and predictable business hours. Many who participated in our focus groups indicated that the frequent dearth of foot traffic in Crisfield's business district induces many shop owners to close their doors early. The result is that when visitors show up unexpectedly, for instance by boat, there is little for them to do. These dynamics frustrate repeat visitation.

A new hotel could change that. A steady stream of visitors would create a circumstance in which foot traffic and spending power would be more commonplace in downtown Crisfield. That would supply Crisfield with the injection of street-level energy that it desperately requires.

Here's the issue. Hotels are notoriously risky investments. Because hotel stays tend to be discretionary, including among both business and leisure travelers, their propensity to falter during times of economic distress is elevated. Even during good economic times, property maintenance is expensive, energy and water costs are high, and cashflow tends to be highly seasonal. In short, the cash demands are high.

Accordingly, if there are private investors willing to develop a waterfront hotel in downtown Crisfield, the study team sees no reason to oppose that. To work economically, the study team believes that the hotel must be a destination in its own right. There is presently not enough to attract visitors to Crisfield in sufficient numbers to support a hotel that is standard in nature. Consequently, a hotel that is not a proper draw in and of itself will likely struggle, at least initially, perhaps setting off a series of ownership transfers over time as one ambitious ownership group replaces the previously disappointed one.

Given the risks involved, we recommend that no public monies be directly invested in the hotel. Risk of hotel failure (or success) should be borne completely by private owners. There may be requirements for infrastructure upgrades to support the hotel, and decisions regarding related public infrastructure investment should be made on an ad hoc basis. Moving ahead with proposed infrastructure investments should attract more favor when: 1) fewer dollars are involved; 2) the investment would benefit more than simply new hotel owners/operators; and 3) it improves public safety.

One important feature of the new hotel will be its ability to host weddings. Generation Y, often referred to as the Millennials, represents America's single largest generation. Now in their 20s and 30s, many are set to form households. According to IBISWorld, last year the U.S. wedding industry supported total revenue of \$78 billion and 377,000 businesses. The industry stands to become even larger going forward as Millennials begin to move up various organizational ladders and wrestle their way through accumulated student debt. A new hotel could and should position Crisfield to participate in this wave of economic activity, leveraging its gorgeous waterfront in the process.

4. Industry Cluster Targets

Based on the study team’s analysis, five categories emerge as candidates for the formation of industry or occupational clusters. These are:

1. Retirement living & healthcare
2. Aquaculture, agriculture, food processing, and food distribution
3. The skilled trades, including those related to construction and manufacturing
4. Alternative energy
5. Tourism

The goal of listing these segments is intended to provide a sense of where comparative advantage likely exists in Somerset County. The list is not intended to suggest that other industries, whether professional services or financial services, have no place in Somerset County. Ultimately, Somerset County benefits from the presence of a host of industries, including those not on this list. The notion is merely that Somerset County is unlikely to manifest near-term comparative advantage in an industry like financial services given its proclivity to serve those of means and to be concentrated in more densely populated areas. By contrast, densely populated areas are less likely to be able to support industries like agriculture.

1. Retirement Living & Healthcare

The confluence of waterfront, lower cost of living, McCready Health and the intellectual center that is UMES represents reason to believe that Somerset County could emerge as a significant destination for retirees. There is of course already a population of retirees, but the study team believes that there is room for additional condominium development suitable for retirees, including perhaps along Main Street in Princess Anne and the waterfront in Crisfield. This development would expand the size of the real property tax base, create more demand for local goods and services, support more local employment, create a larger pool of citizens able to volunteer for local boards, stabilize population, and perhaps create opportunities to improve the quality and character of the local housing stock.

In 2018-19, the County’s real property tax rate stood at \$1.00 per \$100 of assessed value. For those living in Crisfield, there was an additional municipal tax of \$0.87/\$100 of assessed value. In Princess Anne, there was an additional \$0.998/\$100 of assessed value.¹⁴ Relative to much of the balance of Maryland, these property taxes are high.

When authoring the economic development strategy for Cambridge, MD in 2010, Sage economists recommended a tax break for older newcomers to the community. Specifically, we recommended that the City of Cambridge offer a special retiree tax break for those households headed by an individual age 60 or older moving on a full-time basis to the City and purchasing for owner-occupancy. Eligible individuals would receive a 50 percent reduction in their real estate tax

¹⁴ Maryland Department of Assessments and Taxation. <https://dat.maryland.gov/Pages/Tax-Rates.aspx>.

obligation over the course of three years. The intent of such a tax break was to reduce the inventory of unsold housing units and to create an environment more conducive to residential development.

A related goal was to accelerate tax base formation and help support main street development efforts and other revitalization efforts. Somerset County could consider a similarly structured tax break to attract retirees to the area, including to Crisfield. Attracting a much larger population of retirees would expand the tax base, help lower the real property tax rate in the County/municipalities and position the community for further waves of retirees.

Our recommendation is that the County property tax be reduced in accordance with what we recommended for Cambridge (i.e. reduction of property tax rate by one-half for three years for those moving on a full-time basis from outside of the county into Somerset County with a household head aged 60 or older). For this select group, the property tax rate would fall from \$1.00/\$100 of assessed value to \$0.50/\$100 of assessed value. The fiscal cost is likely to be small, but the messaging to prospective retirees would be powerful. The goal is to attract the attention of would-be retirees and eventually persuade people that Somerset County is an appealing retirement destination with or without tax breaks. The tax rate for those purchasing second homes in the county would not change.

We do not recommend reductions in tax rates in Princess Anne or in Crisfield. Why not? The reason is that the study team is reluctant to recommend anything that could bias decisions regarding where to retire within the county. A County-wide tax break would not alter the decision to retire in, for instance, Princess Anne, or Crisfield, or elsewhere within the county. It would, however, potentially influence whether or not a retiree household would retire to Somerset County in the first place.

With respect to healthcare, growth in the number of retirees would presumably expand demand for healthcare services, including preventative care, chronic disease management, etc. Healthcare is already projected to be among the leading sources of job creation going forward. Accelerating the formation of the retiree population would simply accelerate this type of job growth. Naturally, there needs to be a sufficient level of training for these workers, whether at UMES, Wor-Wic, or other centers of higher education. The expansion of demand for health services would also render it more likely that existing local capacity to supply healthcare services would remain in place.

As many local stakeholders know, McCready Memorial Hospital is merging with Salisbury-based Peninsula Regional Medical Center. While the existing nursing home will remain intact, a new free standing medical facility will be developed just outside Crisfield. There are many conceivable uses for vacated space, including for medical training, wellness programs, or other quality of life enhancing uses.

2. *Aquaculture, Food Processing, and Food Distribution*

Somerset County is already home to a number of significant food distribution operations. It is also home to a number of fishing operations. All of these activities are important and bring wealth into the community. It also helps the community preserve its history and rural character.

The study team concludes that aquaculture represents a potentially important complement to ongoing food production activities. Over the past half century, the per capita consumption of fish in the United States has grown by almost half (from 10.3 pounds per capita per year to 14.9 pounds). This growth has been entirely driven by fresh and frozen seafood. While consumption of canned and cured fish and seafood has declined over time, consumption of fresh and frozen seafood has nearly doubled over the past half century, increasing at an average annual rate of 0.7 percent.¹⁵

The growth in U.S. fish consumption has resulted in an enormous demand for imported fish and seafood. In 2016, the value of domestically harvested fish and seafood was \$5.3 billion; the value of imported fresh and frozen fish and shellfish was \$17.3 billion.¹⁶ Over the past two decades imported fish and shellfish have dominated. The value of the domestic harvest, exports, and aquaculture has been little changed in this period.

The relentless demand for fish, especially Atlantic salmon, coupled with stagnant domestic supplies and ballooning imports has created opportunities for U.S. aquaculture, including land-based recirculating aquaculture system (RAS) technology. RAS is a relatively new approach to salmon farming which traditionally has relied on ocean pens to feed salmon and allow them to grow to market size. RAS technology has been developed and implemented at lab scale by the University of Maryland. It maintains several advantages over traditional ocean-based technology including control over the total environment in which salmon are raised, reduced risks of pollution, contamination, and disease, and proprietary technology for the production of eggs.

In this context, the presence of UMES is most fortuitous. Among other things, UMES maintains a Department of Agriculture, Food and Resource Sciences. According to the University, the Department “prepares students to make significant, positive contributions to the food and agricultural sciences through learning, discovery, and engagement. Students are provided with experiential learning opportunities through our state-of-the-art research, education, and farm facilities.”¹⁷

The Department is part of the School of Agricultural and Natural Sciences (SANS), which also embodies the UMES Agricultural Experiment Station and the UMES Extension Program. The UMES Extension Program is intended to provide research-based knowledge to solve practical problems, including those that occur in the process of food production and even distribution. SANS also encompasses the Department of Natural Sciences, which offers programs for students

¹⁵ National Oceanic and Atmospheric Administration, “Fisheries of the United States”.

¹⁶ Id.

¹⁷ University of Maryland Eastern Shore. <https://www.umes.edu/agriculture/>.

majoring in biology, biochemistry, chemistry, and environmental science.¹⁸ All of this training could and should be pertinent to the development of a water-based food production cluster.

The point is that UMES should be viewed as supplying a funnel of entrepreneurs who embrace the cutting edge of food production and support enterprise development in the county. The question becomes how does one motivate these would-be entrepreneurs to commercialize their ideas in Somerset County?

The answer likely lies in inducing the University to emphasize the role of entrepreneurship in relevant departments and to provide a large-scale tax break to anyone with the proper credentials and intellectual property seeking to develop an aquaculture facility. In 2017, Atlantic Sapphire USA, a subsidiary of Norway-based salmon firm Atlantic Sapphire A/S, began construction on a massive \$350-\$400 million land-based aquaculture facility in Miami, Florida. Importantly, there is Maryland-based aquaculture intellectual property that could help support the development of a successful aquaculture facility in the Free State.¹⁹

As a final note, along Crisfield Highway, there is a 70,000 square foot building available for lease sitting atop 23.35 acres known as the Carvel Hall building. For nearly five decades, Carvel Hall was known for the production of cutlery, particularly steak knives. The property is in a designated Enterprise Zone. There have been recent upgrades to the electrical system as well as new roofs, windows and doors. The City of Crisfield owns the property. This represents another opportunity to absorb additional industrial activity, and policymakers may want to consider special initiatives to promote adaptive reuse of this site. This is not the type of asset that should be on a City's balance sheet for an extended period. In its current state, it is a liability as opposed to a source of economic vigor.

3. The skilled trades, including those related to construction and manufacturing

This is all about training. Both industries suffer from a dearth of available workers. Many younger workers have eschewed the skilled trades, believing that the path to success is a college education. For many people, it is. However, there continues to be significant demand for electricians, HVAC professionals, pipefitters, welders, machinists and others. The study team believes that a concerted effort to leverage the Somerset County Technical High School and other secondary schools into a trained, can-do workforce focused on construction, manufacturing, logistics and other technical fields could translate into stepped up firm recruitment, bulked up entrepreneurship, and the creation of scores of living wage positions. One of the keys is to ensure a ready supply of industrially-zoned land in the county – land that is marketable to manufacturers and other industrial players.

¹⁸ University of Maryland Eastern Shore. <https://www.umes.edu/SANS/>.

¹⁹ Sage Policy Group client.

Again, the study team encourages coursework in entrepreneurship and business management to complement the acquisition of technical skills. Partnerships with Wor-Wic make sense in this context given that institution's focus on STEM and other key disciplines, including non-credit offerings in the trades. Available Wor-Wic offerings pertain to electrical wiring technician, wastewater treatment, and welding/metal fabrication.²⁰

4. *Alternative energy*

Wind farms, solar farms, and other forms of alternative energy are often land-intensive. Somerset County is home to plentiful land that could be used to house solar arrays, which are combinations of several solar panels. Whether solar or wind farms, these facilities would need to be maintained, creating additional demand for Somerset County's technical workforce.

Part of the motivation behind this recommendation is that Maryland is among the nation's most aggressive states in terms of obligating itself to move expeditiously toward the use of renewable energy during the decades ahead. Maryland's legislature recently passed the Clean Energy Jobs Act (May 29, 2019), which creates a mandate that 50 percent of the state's electricity be produced by renewable energy sources by 2030.²¹ Somerset County must position itself to help meet that mandate, helping bolster its own economy in the process.

5. *Tourism*

Tourism contributed a total of \$536,502 in total direct consumer tax impact for Somerset County in FY2018. With an annual budget of just \$67,088, Somerset County's investment in tourism returned \$8 for every \$1 spent. Over the past several years, the impact of tourism on Somerset County has grown slightly faster than the state average. These data points indicate that tourism is a good investment for Somerset County.

The Somerset County Office of Tourism has worked to develop and support a variety of tourism assets throughout the County. There are also several other local organizations that contribute to visitor attraction efforts. Somerset County should continue efforts in promoting tourism as a mechanism to grow and sustain its economy. The next section of this report supplies considerable detail regarding tourism dynamics in the county and how they could be improved.

²⁰ Wor-wic Community College. <https://www.worwic.edu/Programs-Courses/Non-Credit-Courses/Trades-Manufacturing>.

²¹ Maryland General Assembly. Clean Energy Jobs. Enacted under Article II, Section 17(c) of the Maryland Constitution - Chapter 757. http://mgaleg.maryland.gov/2019RS/chapters_noln/Ch_757_sb0516E.pdf.

Part I Conclusion

In recent decades, broadly shared prosperity has proven elusive in Somerset County. Job creation has generally been slow and population has declined. There are obvious physical manifestations of this malaise, including in downtown Crisfield. There are other indications of economic stagnation, including the large numbers of county residents on some form of public assistance. At the same time, there are a number of key employers expanding operations, including manufacturers and deliverers of healthcare, but who suffer difficulty identifying willing and able local talent.

At the heart of Somerset County's renaissance will be to transition people from dependence to independence. This will require a combination of policies, including vastly expanding training opportunities and supplying greater incentives to enter the workforce.

The study team identified a number of industries ripe for rapid expansion in Somerset – many of which pay living wage salaries or better. The redevelopment of downtown Crisfield and likely growth in Princess Anne, due in part to a stronger partnership with UMES, will create a series of additional opportunities, including in construction, hospitality, and many other segments.

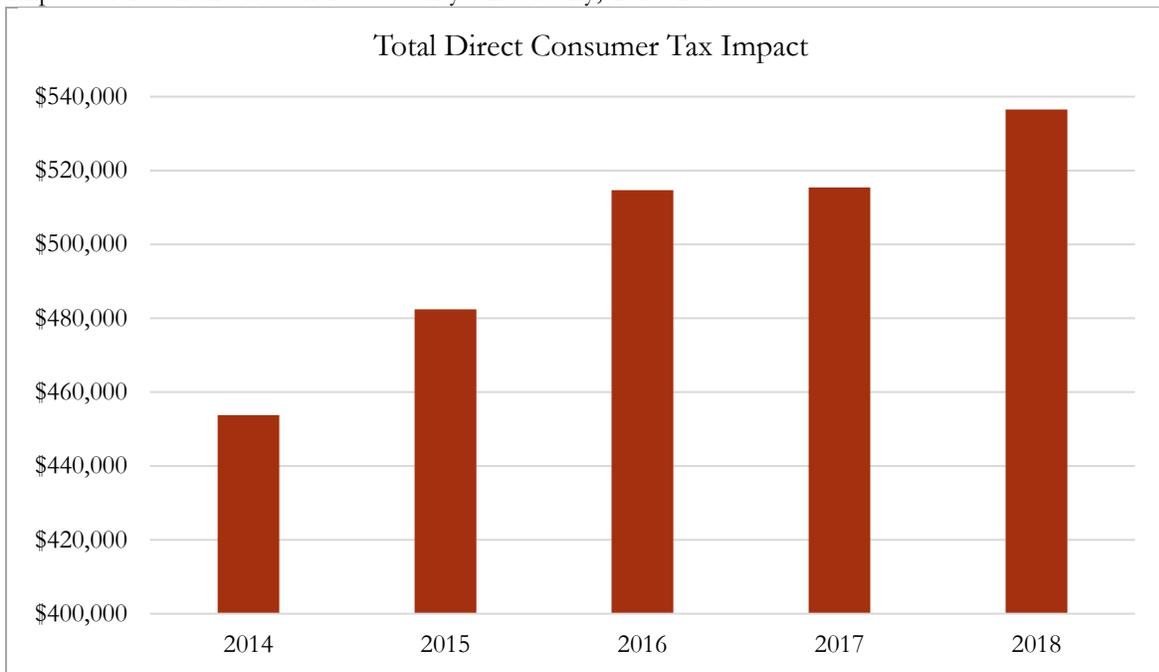
We conclude that Somerset County's economic future is extraordinarily promising and that fiscal sustainability is within reach. However, County and municipal governments must act with vigor along the dimensions of marketing, adaptive reuse of property, and promoting workforce development and labor market entry.



Assessment of Current Tourism Climate

Tourism contributed a total of \$536,502 in total direct consumer tax impact for Somerset County in FY2018. With an annual budget of just \$67,088, Somerset County's investment in tourism returned \$8 for every \$1 spent. Over the past several years, the impact of tourism on Somerset County has grown slightly faster than the statewide average. These data points indicate that tourism is a good investment for Somerset County and likely represents a source of significantly augmented economic activity.

Impact of Tourism on Somerset County's Economy, 2014-2018



Source: Maryland Office of Tourism Development, Annual Reports for FY2014 – FY2018.

Current Tourism Assets

The Somerset County Office of Tourism has worked to develop and support a variety of tourism assets throughout the County. There are also several other local organizations that contribute to visitor attraction efforts.

History & Heritage

- Tawes Museum
- Teackle Mansion
- Smith Island Cultural Center & Museum
- Genealogical research

Outdoor Recreation

- Janes Island State Park – campground, kayaking, walking
- Deal Island Wildlife Management Area
- Trail Mix App – hiking, biking, paddling
- Somers Cove Marina
- Smith Island (kayaking, fishing, crabbing, etc.)
- Campgrounds – Janes Island, Goose Creek Marina, Lake Somerset,
- Wellington Beach & Park
- Raccoon Point Beach & Park
- Water Trails – Janes Island, Monie Bay, Smith Island
- Outfitters (kayak, canoe, bike rentals)
- Fishing charters
- Birding tours & self-guided opportunities
- Great Hope Golf Course

Culinary Experiences

- Smith Island Cake Company
- Bakeries offering Smith Island Cakes
- Seafood restaurants & crab houses
- Seafood to-go
- Smith Island Crab Meat Co Op

Events

Larger events:

- J. Millard Tawes Crab & Clam Bake
- National Hard Crab Derby & Fair
- Skipjack Races & Festival
- Skipjack Bike Tour
- Delmarva Birding Weekend

Smaller events: County and town fairs, holiday events (4th of July, Halloween, Christmas, etc.), Strawberry festival

Accommodations

Somerset County has a total of approximately 230 beds among its motels, bed and breakfasts, conference center, and inn. Most of these rooms are at the lower end of the market, though there are mid-market accommodations available through some B&Bs, Washington Inn, and The Henson Conference Center (on the UMES campus). Somers Cove Motel has also made significant investments to renovate and upgrade the interiors of its guest rooms.

Visitors to Somerset County also have the option to stay at several campgrounds. Options include cabins, RV hookups, and tent sites.

Partners & Related Organizations

- Chambers of Commerce
- A&E District
- Crisfield Heritage Foundation
- Parks & Recreation
- Historical Societies
- UMES

Marketing Resources

- Visitors Centers
- Trail Mix App
- Website – exists but there are issues
- Social media
- Brochures & maps

Competitive Analysis

Somerset County finds itself in the middle of a fiercely competitive tourism market. It is dwarfed in spending and revenue generated by its neighbors. Worcester County (including Ocean City) generated more than \$47 million in total direct consumer tax impact in FY2018. Together, Worcester County and Ocean City supported a tourism budget of nearly \$8 million. Smaller regional competitor Dorchester County spent \$283,754 and generated \$4 million in total direct consumer tax impact. Somerset County has the smallest tourism budget in Maryland, rendering it difficult to stand out among the many competing tourism attraction messages.

Beyond Maryland, Somerset County faces intense competition from Delaware beaches, Virginia Beach, and the communities of Virginia's Eastern Shore. The coastal communities of New Jersey and North Carolina also compete for visitors from the Mid-Atlantic region and beyond. To the west, the Shenandoah Valley and Appalachian Mountain communities compete for visitors interested in nature and outdoor recreation. Major cities in the region also spend millions of dollars to attract visitors.

With such a robust tourism market extending hundreds of miles in every direction, it is virtually impossible for Somerset County to elevate its voice above its competitors. This illustrates the absolute necessity of developing a niche tourism strategy that is highly focused and targeted. Analyzing Somerset County's competitors relative to its own tourism assets is a good way to begin fashioning its best niche strategy.

History & Heritage

Maryland and the broader Mid-Atlantic region are extremely rich in American history. The region is home to top national museums, major civil war battlefields, and sites that were part of the founding of our nation. These high-profile historic sites have mass appeal to a variety of travelers. Smaller communities that hope to compete and divert visitors from these sites must have an extremely compelling and nationally significant offering.

Locally, Dorchester County provides the best example of a small market capitalizing on historical tourism. As the birthplace of Harriet Tubman and a central part of the Underground Railroad, Dorchester County has a genuinely significant place in America's history. Without historical assets of this magnitude, it is extremely difficult for a small community to build a tourism strategy predominantly around history and heritage.

Outdoor Recreation

The Eastern Shore is a popular region for a huge variety of outdoor activities including boating, kayaking, fishing, hunting, biking, running, walking & hiking, and birding, among others. Much of the tourism related to these activities is centered around the region's State Parks, Wildlife Management Areas (WMA), and National Wildlife Refuges. Compared to most other counties in the region, Somerset has an advantage with both Janes Island State Park and Deal Wildlife

Management Area. Only Queen Anne’s County and Caroline County have more of these resources with multiple state parks and a WMA in each.

Water is also a huge draw for tourists interested in outdoor recreation. There are many destinations with Chesapeake Bay waterfront, including Somerset County. Other bayfront Eastern Shore counties have an edge in attracting visitors with towns that have more development and accommodations around the water. However, Somerset County has huge potential to pursue similar development in Crisfield, which offers outstanding Bay access and views.

Dorchester County has been successful in developing major events centered around outdoor recreation. They are the host of IRONMAN Maryland and the IRONMAN 70.3 Eagleman Triathlon, both of which attract thousands of amateur athletes and outdoor enthusiasts from all over the world. If Somerset County is able to develop more accommodations, especially at the mid-level and higher ends of the market, it would be better able to compete for similar types of events.

In addition to the coastal destinations offered on the Eastern Shore, outdoor enthusiasts in the Mid-Atlantic have many choices for mountain adventures. Hiking, skiing, and whitewater rafting are attractive options. The cooler summer weather is also a lure for travelers seeking a break from heat and humidity.

Overall, Somerset County is extremely competitive in terms of the opportunities it offers for outdoor recreation. It is a lack of other amenities (namely accommodations and dining & drinking establishments) that supplies rival jurisdictions a competitive advantage.

Beach Escapes

By far the most significant source of tourism in the region are the beaches of Ocean City, Rehoboth Beach, and other smaller oceanfront beach communities. Millions of visitors are within a relatively short drive of Somerset County throughout the beach season.

It can be tempting to think that Somerset County should develop a strategy to divert visitors away from these destinations. However, visitors drawn to the nightlife of Ocean City or the trendy shops of Rehoboth Beach are unlikely to be drawn to Somerset County’s quieter, more rustic communities. These visitors also tend to prefer spending their days on the beach and they’re less likely to be interested in the more active experiences Somerset County has to offer. Most travelers to Ocean City or Rehoboth Beach choose those destinations because they want the experience of the wide beaches and plentiful dining and shopping options. It would be extremely difficult for Somerset County to siphon away even a tiny percentage of those visitors.

However, Somerset County may be able to lure people from the smaller beach destinations like Cape Henlopen, Bethany Beach, or Fenwick Island. These are quieter, more family-friendly communities. They are also proximate to Delaware state parks that attract more active travelers. It is entirely feasible that some individuals and families drawn to these beach communities would consider a day trip or extended stay in Somerset County.

Culinary Experiences

“Foodie tourism” has been one of the most significant industry trends in recent years. It is not uncommon for tourists to choose their destination and activities entirely around culinary experiences. This offers an opportunity for smaller markets that have a truly unique and high-quality culinary offering. If your community is one of the few places in the world that offers the authentic version of a certain food, people will travel to experience it.

The broader Eastern Shore region benefits from this trend in terms of its seafood. Maryland crabs are famous the world over, and the Eastern Shore is the most authentic place to experience them. Chesapeake Bay oysters are another unique culinary experience that draws people to the region. The farm-to-table movement is also strong on Eastern Shore.

Towns like Easton and Cambridge have been able to attract and retain restaurants that emphasize local seafood and produce. Somerset County does not currently have the same reputation for dining experiences, but it does have potential to capitalize on its unique culinary assets like the Smith Island Cake and its rich waterman heritage.

Small Town Charm

The Delmarva Peninsula is home to many charming towns that attract visitors. Towns like Easton, St. Michaels, Berlin, Cambridge, Lewes, and Chestertown feature historic architecture, outstanding restaurants, unique shops and boutiques, and strong art scenes. They provide a high-end experience that is appealing to affluent visitors from the Mid-Atlantic’s urban centers. They also provide many choices, with multiple high-quality options in each category. Many of these towns have benefited from an influx of wealthy individuals who retired or bought weekend homes nearby. This has created a steady market to sustain restaurants and shops outside of the tourist season.

While Somerset County’s small towns are comfortable places to live, they lack the variety that popular Eastern Shore destinations offer. This is somewhat by design. Somerset County residents do not seem eager to court the types of visitors who frequent towns like Easton and Lewes. They simply aren’t a good cultural fit for Somerset County where residents tend to prefer practical amenities and a down-to-earth, easygoing lifestyle.

This isn’t to say that Somerset County’s towns don’t have anything to offer visitors. Rather, it drives home the importance of developing a niche strategy that aligns with the County’s values and culture. Adopting attraction strategies similar to those used in towns like Easton would feel inauthentic and ultimately be ineffective in places like Crisfield, Princess Anne, or the County’s smaller villages.

SWOT Analysis

A SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) is a helpful organizational tool during strategic development. It also provides a “check” against new ideas and is an easy way to ensure that the strategies developed align with your brand’s strengths and address external opportunities and/or threats.

The following is a SWOT Analysis for the Somerset County tourism market. This is based on competitive analysis, one-on-one interviews, focus group discussions, and economic data.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ◆ Extensive Chesapeake Bay coastline ◆ Natural resources including protected land available for recreation ◆ Culinary experiences (i.e. seafood, Smith Island cakes) ◆ Robust events schedule ◆ Established organizations working to support visitor attraction (Main Street, A&E District, etc.) ◆ Authenticity of experiences ◆ Relative proximity of several major metropolitan areas ◆ Easy access to Route 50 	<ul style="list-style-type: none"> ◆ Low population makes it difficult to sustain tourism businesses out-of-season ◆ Consistency of services (business hours, customer service, etc.) ◆ Connectivity (mobile service, internet service) ◆ Small number of people in the community doing the vast majority of the work (organizing events, promoting businesses, etc.) ◆ Real reluctance to change or welcome outsiders ◆ Lack of mid-market to high-end accommodations ◆ Limited dining choices ◆ Lack of activities for kids and families ◆ No brand identity
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ◆ Crisfield waterfront ◆ Properties available for development; motivated owners ◆ Recreation-based tourism and eco-tourism ◆ Large population centers with high disposable income within a reasonable driving distance ◆ Leverage events to extend visits to Somerset County ◆ Niche, digital marketing ◆ Leverage talent and enthusiasm of students at UMES and Salisbury University 	<ul style="list-style-type: none"> ◆ Sea-level rise ◆ Proximity of tourism competitors with massive budgets that drown out Somerset County ◆ External perceptions of the County ◆ Economic realities make it difficult to maintain traditions (watermen, life on Smith Island, etc.) ◆ Difficulty retaining young adults who seek opportunity elsewhere

Summary of Key Findings from Interviews & Focus Groups

The one-on-one interviews and focus groups that were part of this project offered a wealth of insight into the opportunities and challenges for tourism in Somerset County. They provided the nuance and context that is difficult to derive from hard data alone. The following section summarizes key findings from these interviews and focus groups.

1. There is positive momentum that is ready to be harnessed.

Somerset County has a lot of great things to build upon. The County has done a phenomenal job of developing signature events like the Hard Crab Derby and Tawes Crab & Clam Bake that attract thousands of visitors. The new Crisfield Arts & Entertainment district provides the foundation on which to build a thriving art scene. Established businesses like Smith Island Cruises, Washington Inn & Tavern, Smith Island Cake Company, Somerset Cove Motel, and a variety of retail shops and eateries offer visitors a very enjoyable experience. Janes Island State Park and Deal Island Wildlife Management Area offer phenomenal outdoor recreation. All of these things are already enough to provide tourists with compelling reasons to visit Somerset County. A strong tourism strategy will keep the momentum going by uniting these assets and promoting them under one cohesive Somerset County brand.

2. Visitors are often surprised and disappointed by the lack of consistent services.

Business hours tend to be inconsistent and shops and restaurants may not be open in the evenings or on weekends. There are few of the activities often associated with waterfront communities. Cell coverage and Wi-Fi are often quite limited. Some of these issues can be addressed through a strong economic development and tourism strategy, but it's also important to manage visitor expectations. This will be a key element in driving the content of strategic recommendations.

3. Somerset County residents have tremendous pride in their history, heritage, and natural resources, but they are reluctant cheerleaders.

Somerset County's culture tends to be a bit reserved, so its residents aren't naturally inclined to give visitors an effusive welcome. But when talk turns toward life on the water, the incredible uniqueness of places like Smith Island, and the history of Crisfield and Princess Anne, even the most reserved Somerset natives are willing to share their pride in the County. This pride can be leveraged to provide visitors with truly unique and memorable experiences.

4. The sustainability of Somerset County's natural resources and way of life is a major concern.

Most rural communities in America are concerned about these issues, but it is particularly acute in Somerset County. Climate change, erosion, and flooding threaten the physical landscape of the County, as well as the livelihoods of many of its residents. The digital global economy often requires younger residents to leave the area to pursue career and personal opportunities. Changes are necessary to address these challenges, but change does not come easy in Somerset County. Any proposed changes or new initiatives must align with the County's culture if they hope to be successful.

5. *The Somerset County hospitality industry operates with extremely limited resources.*

These resource constraints shape the experiences of tourism staff, stakeholders, and the broader network of small businesses that struggle to stay afloat. Importantly, the issue isn't simply a lack of monetary resources, though limited funds for development and marketing is certainly a challenge across the board. One of the greatest resource restraints facing Somerset County is that of time. Business owners and individuals working to support Somerset County tourism are already busy with very little additional time to give. The word "exhausted" was used frequently by individuals interviewed for this project. Execution of any strategy ultimately depends on the "boots on the ground," so it's important to consider the realistic capacity and enthusiasm of local stakeholders to take on new initiatives. This is addressed more extensively in the Execution Strategies section of this report.

Strategic Goals

Based on the data and analysis outlined above, we have identified the following strategic goals to enhance the impact of tourism on Somerset County's economy:

1. Attract visitors, entrepreneurs, and investors who will appreciate Somerset County as it is, rather than those who would want to change its character
2. Level out inconsistency & seasonality (create jobs & economic impact year-round; increase viability of small businesses)
3. Attract investment to make downtown areas more vibrant for visitors and locals alike
4. Preserve and maintain culture, traditions, natural landscapes & waterways
5. Develop sustainable revenue streams to support current and future Tourism efforts

To achieve these goals, the study team has identified target markets and made recommendations for specific tourism-related projects. We have also suggested a new Somerset County brand and messaging campaign. Finally, we suggest some execution strategies that will help make implementing these ideas feasible.

Strategic Recommendations

There are many intriguing possibilities to further develop and enhance Somerset County's tourism strategy. The following section hones in on just a few of these strategies that offer the greatest potential impact. This focused approach reflects the realities of Somerset County's limited resources, both in terms of budget and staffing.

Target Markets

Part of this focused approach is identifying specific target markets. A broad, "shotgun" approach is ineffective because it dilutes messaging and creates confusion in the market. It is much more effective to direct limited resources to a niche audience that aligns with the County's strengths and values.

Based on the research conducted, there are two target markets that offer the greatest potential for Somerset County's tourism efforts:

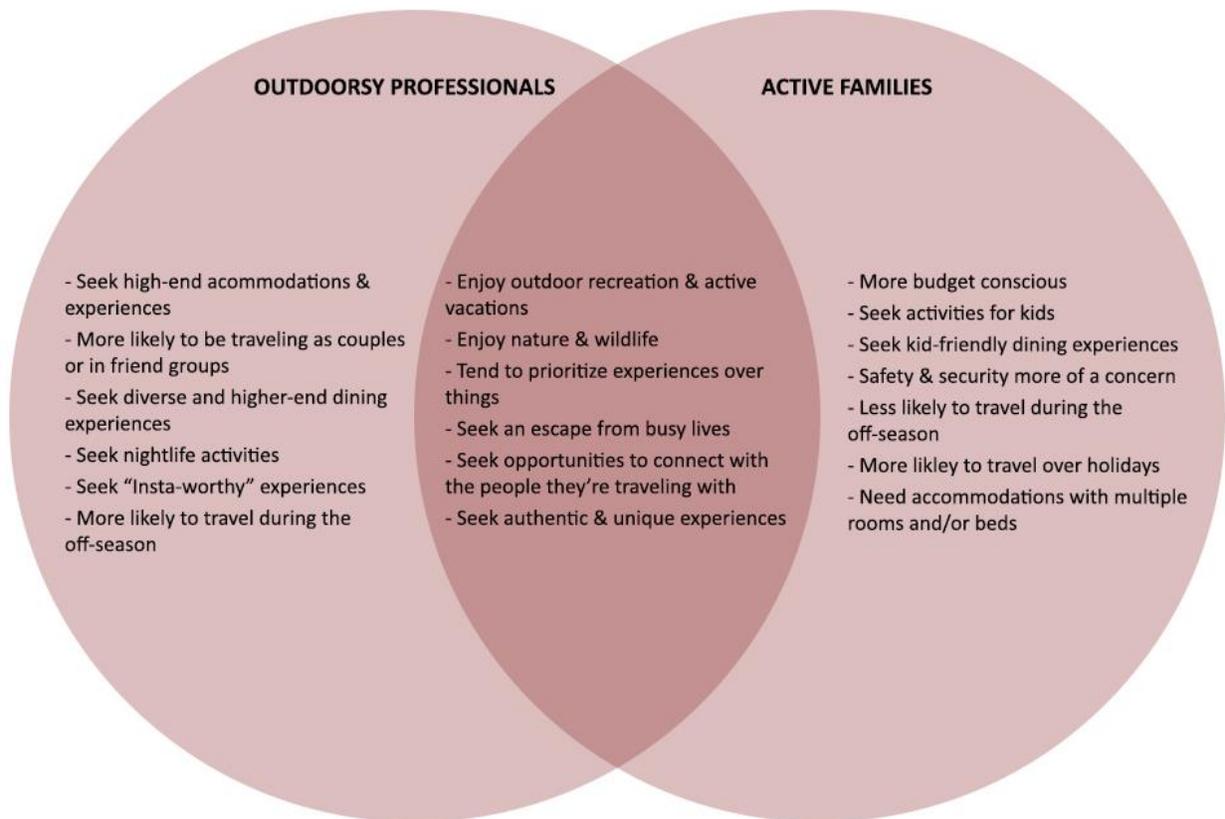
1. *Outdoorsy Professionals*

This market has two attributes that make them attractive targets for Somerset County: an enthusiasm for the outdoors and disposable income. They will be attracted to the outdoor activities the County has to offer, as well as the slower pace that makes a nice break from hectic urban and suburban life. Somerset County is a reasonable driving distance from several major metropolitan markets with high concentrations of professionals. Targeting those interested in outdoor recreation is fairly easy through digital ads, social media ads, and ad placements through niche content providers (podcasts, blogs, etc.).

2. *Active Families*

This market overlaps somewhat with outdoorsy professionals, but with the added need for family-friendly activities. Also, although people in this group may be relatively affluent, they are more likely to be budget-conscious. Somerset County offers a variety of affordable outdoor activities, along with reasonably priced accommodations and restaurants. This makes it an excellent option for active families. Again, targeting this market is relatively easy through digital methods and niche content providers.

COMPARISON OF TARGET MARKETS



One of the most important aspects of both of these target audiences is that they align well with Somerset County’s culture. They value the natural resources that the County offers, they appreciate the pace of daily life, and they crave authenticity.

It is important to note that focusing on these markets does not mean that others need to be neglected. There are many visitors to Somerset County who are interested in its rich history, heritage, and genealogical research. Other visitors could be classified as “beach overflow,” which includes people looking for more affordable accommodations to base out of during their beach vacations. In both of these instances, visitors are already drawn to Somerset County. It’s important to provide them with a great experience during their visit, but it is less important to proactively draw them into the County. Therefore, these markets can be approached with a less intensive “maintenance” strategy.

Project Recommendations

The target markets identified align very well with Somerset County's assets and culture. However, there are some challenges that need to be addressed in order to fully capitalize on the opportunities these potential visitors represent. This section suggests projects that will help position Somerset County as a preferred destination for Outdoorsy Professionals and Active Families.

Vacation Packages

One of the most significant challenges that was brought up frequently in the focus group and interviews was a lack of consistency in operating hours among businesses in Somerset's hospitality sector. Small business owners have many demands on their time, so it can be extremely difficult to maintain hours in the evenings and on weekends, which are peak times for visitors. Furthermore, most small businesses don't have the resources to hire additional staff to extend their hours.

One way to address this challenge is to concentrate a high volume of visitors into specific times throughout the year. This allows business owners to prepare for these peak times and more easily coordinate with each other to deliver a fantastic visitor experience throughout the County.

This can be achieved by developing and marketing vacation packages. These packages would include lodging and focus on outdoor recreation, but they would also include a variety of other activities. For example, kayak and bicycle rentals could be included, along with a trip to Smith Island where visitors can learn about its history and enjoy a crab feast. The packages might include a visit to Smith Island Cake Company in Crisfield to learn how the iconic cakes are made and sample different flavors. A faculty member from University of Maryland Eastern Shore or a ranger from Janes Island State Park could lead a nature walk. There may be certain meals at local restaurants included as well. The packages would be structured to provide visitors with some pre-determined activities that support local businesses, along with plenty of time to independently explore all that the County has to offer.

These packages would be offered during specific weeks when all participating businesses are available and ready to participate. It would be ideal to offer the packages around major events in the County, providing visitors with still more activities to enjoy during their visit. The Delmarva Birding Weekend and the Skipjack Bike Tour & Run offer particularly good alignment with the outdoor-oriented target markets for the packages.

Creating vacation packages would also provide the opportunity to extend the tourist season and provide additional revenue in the spring and fall. Many outdoor enthusiasts prefer activities during these times when the weather is cooler and biting insects are less of a nuisance.

Recommendations for developing and launching the vacation packages are included in the Execution Strategies section of this report.

Eco Cottage Development

One of the most significant factors currently limiting economic growth through tourism in Somerset County is its limited accommodations, particularly at the higher end of the market. There is an opportunity to address this shortage with the development of “eco cottages” in downtown Crisfield. There is a 6 acre property with a motivated owner that is perfectly situated for just such a development.

The eco cottages would be highly efficient, architecturally interesting cottages available for rent by visitors to Somerset County. These cottages would be small, but they would incorporate quality finishes that make them feel very comfortable and a bit luxurious. A “rustic glam” aesthetic would tie in with the natural beauty of Somerset County while providing a high-end experience. Building them with sustainable materials and energy efficiency in mind would strongly appeal to the target market of outdoorsy professionals and active families. The cottages should be built on stilts to avoid damage in the event of any flooding.

Each cottage would be approximately 800 – 1,000 square feet with a small kitchen, living and dining area, a jack-and-jill bathroom, and one or two bedrooms. Two-bedroom cottages could be configured with a master bedroom and a smaller bedroom with bunk beds, making them ideal for families.

To maximize efficiency during construction, there could be as little as two floor plans for the cottages. It may make sense to consider modular construction, which uses manufacturing principals to reduce costs and ensure consistent quality. There may also be grant opportunities through the Maryland Energy Administration for solar and/or energy efficiency technologies.

Efforts should be made to ensure each cottage has its own unique curb appeal. This is important to make the property more special and marketable, as well as more pleasant and acceptable to local residents. This could be achieved through something as simple as unique and colorful paint schemes for each cottage.

The grounds of the development should include outdoor common areas such as a fire pit, grilling area, pool, and games like bocce ball, pickleball, and cornhole. These activities would enhance the visitor experience and encourage groups of friends or families to travel together and rent multiple cottages. Other amenities could include secure storage for bicycles and kayaks.

These types of accommodations are very appealing to younger Gen X and Millennial professionals. They are more likely to book accommodations through websites like Airbnb or VRBO. They like having access to a kitchen and a “homier” environment while traveling. They also tend to be environmentally conscious and would greatly appreciate the energy efficiency and green building techniques used in the project. Finally, amenities specifically geared toward outdoor enthusiasts and active families would make the cottages an obvious choice for these travelers.

Brew Pub Attraction

Although Somerset County is already home to several great dining establishments, there is a void in terms of the type of lively pub that is so appealing to visitors in their 30's and 40's. A microbrewery, nice sports bar, or gastropub would have a tremendously positive impact on the downtowns of Crisfield and Princess Anne. Based on feedback in interviews and the focus group, these types of establishments would be readily embraced by locals as well. They are the type of anchor establishments that bring tremendous energy and increased foot traffic to downtown areas.

Both Crisfield and Princess Anne could deploy a variety of tactics to attract such an establishment. For example, a property tax incentive could be offered to encourage investment in suitable vacant buildings. The designated properties could also be given “fast track” status for all necessary reviews and approvals.

The towns can also partner with other stakeholders to develop the types of incentives and support services that are very appealing to new businesses. The Chambers of Commerce could offer free membership for one year and free marketing assistance to promote the opening of the pubs. Perhaps the local utilities (water, electric, cable/internet) could offer discounted service for a certain period of time. The goal should be to create a package that involves lots of different organizations and businesses. The incentives within the package will be helpful, but an even more important benefit is uniting the community to focus on the goal of recruiting and supporting these businesses.

Once the incentive package is established, the economic development and/or tourism offices can present it to entrepreneurs and investors. The most efficient approach would be to contact established businesses elsewhere on the Eastern Shore, especially those that already operate multiple locations. These business owners have experience and knowledge that significantly increase their chances of being successful in the long term. They will also recognize that an organized, supportive community reduces a lot of the risk associated with an expansion project. This makes the untapped markets of Crisfield and Princess Anne even more appealing.

Somerset County Branding & Messaging

Tackling these projects successfully will require consistent messaging and a strong brand. To best understand the power of a strong placemaking brand, consider iconic examples like “Virginia is for lovers,” “I love NY,” and “The Sunshine State.” Locally, Dorchester County has had good success with its “Water Moves Us” brand. These brands are succinct, unique, and they evoke powerful imagery. By adopting such a brand, Somerset County will be able to differentiate itself within the region and be more memorable to its target markets.

Somerset Brand / Tagline

Based on the analysis developed through our competitive research, focus groups, and interviews, we are recommending the following brand:

Endless Somerset

This is a play on the popular phrase and hashtag “Endless Summer” (#endlesssummer). It evokes long, relaxing days in the sun. It aligns with Somerset County’s greatest assets: its natural landscapes, the Chesapeake Bay, and its easy pace of daily life.

This brand is also highly adaptable to messaging that highlights these assets. For example, a graphic featuring a beautiful sunset on the Bay could read:

Endless Coastline

Somerset County is home to 600+ miles of pristine Chesapeake Bay coastline.

Visit Endless Somerset

This concept can be incorporated into a variety of other graphics/ads. Somerset County’s rich culinary heritage can be captured through “Endless Flavor.” The County’s fantastic outdoor recreation can be captured through “Endless Trails,” “Endless Exploration,” “Endless Paddles,” etc.

In all of these examples, the messaging conveys that Somerset County has an incredible amount to offer visitors. It suggests that this isn’t the kind of place you just pass through. Rather, it’s a place you want to visit and stay a while to experience its endless opportunities. Furthermore, by using the hashtag #endlessomerset across social media, you will help more people discover the County. It is close to #endlesssummer, which has been used nearly two million times on Instagram alone. People typing this popular hashtag will be more likely to discover the #endlessomerset hashtag and see posts about Somerset County.

In order to implement the brand, a professional graphic designer would ultimately need to develop a logo and provide it in both standard and inverse versions. They should also provide a simple style guide that lists the fonts and colors used in the brand (including in the logo itself as well as complementary fonts and colors). Once complete, the brand should be implemented, at a minimum, across all Tourism messaging. Ideally, the brand would be adopted by other County agencies and partners.

However, before diving into implementation, it is always important to test a branding concept and build local support for it. To do this, a facilitator would reconvene the people who previously participated in focus groups, recap the findings, and present examples of how the proposed brand would be used. It may be necessary to adjust course based on the feedback received. However, if the feedback is generally positive, the focus group participants can become allies in promoting the new brand once it launches.

One point to note is that Delaware is using the brand “Delaware: Endless Discoveries” for their statewide tourism initiatives. This brand launched in 2015, but it seems to have developed little traction since then. “Endless Discoveries” on its own is quite generic and doesn’t tie back to Delaware in any way. It is also too generic to work as a hashtag, so the state uses #VisitDE and #Delegram instead. The “Endless Somerset” brand would not have these issues. It is much more distinct and unique to Somerset County specifically, and it evokes a strong, authentic feeling of endless summers spent in the community.

Messaging & Campaigns

The “Endless Somerset” brand provides a long-term foundation on which to build the County’s tourism messaging. In the shorter-term, targeted campaigns should be executed to reach the County’s target markets. These campaigns can have a duration of one to three years each, and they should always incorporate the Somerset County brand.

Our recommendation for the first targeted marketing effort under the new brand is a “Sounds of Somerset” campaign. This campaign would juxtapose the noise of suburbia and urban environments (traffic, sirens, phones ringing, keyboards clacking, etc.) with the peaceful sounds of a relaxing vacation in Somerset County (a paddle hitting the water, a bike tire on gravel, water lapping at the shore, crickets singing, etc.).

The imagery and sounds would immediately make stressed, urban professionals long for a relaxing getaway. A version targeting families could juxtapose sounds of video games and a blaring television with children laughing and playing outside. This would appeal strongly to parents who long to reconnect with their children through a “back to basics” escape from the hectic pace of their daily lives.

Every ad or message should conclude with the “Endless Somerset” brand and a call to action (i.e. “Visit EndlessSomerset.com to plan your escape.”).

These campaigns also provide an opportunity to manage visitors’ expectations. For example, if a visitor doesn’t know that cell service may be limited in parts of the County, that could be a frustrating disappointment. But if it’s presented as a positive (an opportunity to disconnect), it becomes a feature rather than a bug.

Because sound would be critical for this campaign, it would have to be executed through video and digital placements. Digital ad placements through companies like Comcast, as well as targeted ads through social media sites, are quite affordable and provide extensive data to measure results. An up-front investment would be required to get a good volume of footage, but that same footage could then be reworked and repackaged for several years, ultimately making execution of the campaign highly cost effective.

This is just one example of the type of campaign that highlights the best attributes of Somerset County. Every few years, the County can undertake a fresh campaign that resonates with the target markets.

Execution Strategies

The previous sections detail the concepts and vision for each recommended strategy. This section provides some tactical ideas about how to implement these strategies. This isn't intended to be a comprehensive how-to guide. Rather, these recommendations are intended to help you better understand the scope of implementation and how it can be approached practically with the resources available in Somerset County.

Human Capital

One of the greatest challenges in executing any strategic plan is having sufficient human capital to get the job done. Launching a new Somerset County brand and developing and marketing the vacation packages outlined in our strategic recommendations will require significant time. There are several approaches that could help Somerset County add human resources to work on these projects.

AmeriCorps Volunteer

The AmeriCorps program is designed to help communities tackle projects that reduce poverty. By building tourism capacity and projects that support job growth and retention, Somerset County would likely be eligible to host an AmeriCorps volunteer. Typically, AmeriCorps volunteers are employed full-time for one-year, which would be enough time to:

- Recruit businesses and organizations to participate in the vacation packages
- Conduct market research about how to best structure, price, and market the packages
- Develop vacation package itineraries based on participating organizations
- Develop schedules for when the packages will be offered
- Develop an operating agreement with participating businesses that details how they will participate, how and when they will be paid from package sales, what they will contribute toward marketing costs, etc.
- Develop an operational plan to ensure visitors have everything they need when they arrive and throughout their visit
- Lead the development of marketing assets including a website with online bookings, social media accounts, graphics, press releases, etc.
- Lead marketing efforts including social media management and ads, digital ad placements, and sharing information with niche content creators (bloggers, podcasters, etc.)

Someone with marketing experience and at least moderate technical skills would be ideal for this position. Although some elements of the marketing development would likely need to be contracted out, the AmeriCorps volunteer may be able to contribute significantly to development of a website (platforms like Shopify make it very easy to build an online store), basic graphic design, etc.

AmeriCorps volunteers can be recruited through the Governor’s Office on Service and Volunteerism. The majority of the volunteer’s salary will be paid through the program (along with other benefits such as medical insurance, possible education credits, etc.). Somerset County would pay a fee to participate, but it is only a fraction of the typical cost of employing someone full-time.

An approach that has worked well for other organizations is to identify an individual interested in participating in your project as an AmeriCorps volunteer prior to applying for the program. You and the individual would both apply at the same time and indicate your interest in being matched. A great way to identify a candidate would be to work through University of Maryland Eastern Shore and Salisbury University. Part-time or graduate students are often very interested in full-time work experience that is relevant to their careers and that includes health insurance.

Staff at the Governor’s Office on Service and Volunteerism can provide you with additional information about how the AmeriCorps program is structured within Maryland, and how to best move forward with applying to participate.

Project Committees

Small, nimble project committees can be a tremendous help in executing projects and building local support. These are highly focused committees of just two or three people working in concert with Tourism staff. Rather than standing committees that work on ongoing issues, these are short-term committees that disband at the conclusion of the project. People are often willing to serve when there is a clearly defined ask and they have a vested interest in the outcome of the committee’s work. These individuals bring expertise, passion, connections, and influence to the work at hand.

Examples of project committees that would be helpful in executing the strategies recommended in this report include:

- *Vacation Package Development Team:* These individuals would work with Tourism staff to recruit other businesses to participate in the packages, define the offering, set the travel schedules, etc.
- *Branding Team:* These should be marketing-savvy individuals who have a deep understanding of Somerset County’s culture. They can help refine the new brand and provide input on logo design, marketing materials, etc. They can also serve as ambassadors to promote the new brand within the community.
- *Pub Attraction Team:* These would be two committees (one in Princess Anne and one in Crisfield) each working to attract a pub or microbrewery to their towns. These committees should work cooperatively to develop similar incentive packages and assistance that can be offered in each location. Committee members could be especially helpful in joining Economic Development and/or Tourism staff to reach out to successful pub operators about expanding to Somerset County. Having a business owner in this role of ambassador can be very effective.
- *Developer Attraction Team:* This committee would work with Economic Development and the property owner to attract a developer for the Eco Cottages project. Individuals with connections in real estate and finance would be especially helpful on this committee.

Financial Resources & Sustainability

The other challenge that comes with executing a strategic plan, particularly in a small jurisdiction like Somerset County, is the financial resources required to do so. This section offers strategies to fund development projects and build a sustainable financial model for ongoing projects.

Co-Op Marketing & Administrative Fee

Businesses participating in the vacation packages can help share the costs of marketing them. If the promotional tactics primarily involve social media ads, digital ad placements, and PR, the overall marketing costs should be relatively low. Therefore, pooling resources and dividing the costs over several businesses will render participation feasible for everyone involved.

If the Office of Tourism is able to front the marketing costs for the project, a fee can be deducted from proceeds that are ultimately distributed to each business. This makes it even easier for businesses to agree to participate as they would not have any up-front costs.

Similarly, a small administrative fee should be retained by the Office of Tourism from sales of the vacation packages. This would cover costs like website hosting, software, financial administration, etc. This would help ensure that at a minimum, the program would be self-funded. Any additional revenue generated could be re-invested in this and other Tourism programs.

Grant Programs

There are a variety of grants that may be helpful at various stages of executing the projects recommended in this report. These include:

- *Advantage Maryland (aka MEDAAF)*
This flexible grant program through the Maryland Department of Commerce can be used for a variety of purposes including Strategic Economic Development Opportunities, Local Economic Development Opportunities, and Special Purpose Programs. Advantage Maryland may be particularly useful in development of the Eco Cottages project and/or the microbrewery attraction project, both of which involve downtown revitalization, business attraction, and visitor attraction.
- *Maryland Traditions Project Grant*
This is a small grant program (awards range from \$1,000 - \$5,000) through the Maryland State Arts Council that seeks to preserve and share Maryland's cultural traditions. This grant may be applicable to the development of historical and cultural aspects of the vacation packages. For example, it could be used to develop a day trip to Smith Island that includes learning the traditions of watermen, the impact of the Bay on local art and culture, etc. The Crisfield Heritage Foundation is a past recipient of the Maryland Traditions grant.

- Maryland Touring Program*

The Maryland State Arts Council subsidizes presentations of artists on the Maryland Performing Artist Touring Roster. These are performers with professional experience who have been admitted to the roster through a peer-reviewed process. This presents an opportunity for Tourism to partner with established events and/or the Crisfield Arts & Entertainment District to bring these performers to Somerset County to coincide with scheduled vacation packages. It adds another excellent component to the visitor experience while also providing something for local residents to enjoy.
- Maryland Agricultural Education and Rural Development Assistance Fund (MAERDAF)*

The MAERDAF grant program through Rural Maryland Council can be used to support regional planning and economic development projects. Because this grant requires projects to be regional in scope, this would be most beneficial in future years after Somerset County has implemented the projects outlined in this report. At that point, the County will have a more solid foundation on which to pursue regional projects with other jurisdictions.

Part II Conclusion

Somerset County has proven that tourism is a sound investment, with a return of \$8 for every \$1 invested by the County. The County has an opportunity to invest strategically in new tourism initiatives that would increase these returns even further by fostering entrepreneurship, creating year-round jobs, and improving quality of life for residents. All of these things can be achieved while respecting Somerset County's culture and traditions. The strategies recommended in this report enhance Somerset County's character and assets rather than try to change them. The end result will be a more vibrant, economically stable community that is authentic to both visitors and residents alike.

Appendix A. Supplemental Statistical Detail

Exhibit A1. Somerset County, Private Sector Establishments by Size, 2016

Establishment Size	% of Total Establishments
Micro (0-9 employees)	78.1%
Small (10-49 employees)	18.0%
Medium (50-99 employees)	1.9%
Large (100-499 employees)	1.9%
Largest (500+ employees)	0.0%
Total	100.0%

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

Exhibit A2. Somerset County Jobs by Worker Characteristic, 2017

	Work Area		Home Area	
	Count	Share	Count	Share
<i>Sex</i>				
Male	2,879	49.9%	3,578	46.6%
Female	2,896	50.1%	4,100	53.4%
<i>Age</i>				
Age 29 or younger	1,011	17.5%	1,727	22.5%
Age 30 to 54	3,075	53.2%	3,777	49.2%
Age 55 or older	1,689	29.2%	2,174	28.3%
<i>Race</i>				
White	3,563	61.7%	4,912	64.0%
Black or African American	2,018	34.9%	2,587	33.7%
American Indian or Alaska Native	19	0.3%	34	0.4%
Asian	124	2.1%	76	1.0%
Native Hawaiian or Other Pacific Islander	2	0.0%	2	0.0%
Two or More Race Groups	49	0.8%	67	0.9%
<i>Ethnicity</i>				
Not Hispanic or Latino	5,614	97.2%	7,435	96.8%
Hispanic or Latino	161	2.8%	243	3.2%
<i>Educational Attainment</i>				
Less than high school	609	10.5%	844	11.0%
High school or equivalent, no college	1,468	25.4%	1,874	24.4%
Some college or Associate degree	1,571	27.2%	1,869	24.3%
Bachelor's degree or advanced degree	1,116	19.3%	1,364	17.8%
N/A (1)	1,011	17.5%	1,727	22.5%
<i>Earnings</i>				
\$1,250 per month or less	989	17.1%	1,684	21.9%
\$1,251 to \$3,333 per month	1,983	34.3%	3,214	41.9%
More than \$3,333 per month	2,803	48.5%	2,780	36.2%

Source: U.S. Census Bureau. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. Notes: 1. Educational attainment not available (workers aged 29 or younger). 2. Numbers represent *primary* jobs, not total jobs.

Exhibit A3. Somerset County: Employment by Industry, 2017

Industry	Work Area		Home Area	
	Count	Share	Count	Share
Agriculture, Forestry, Fishing and Hunting	106	1.8%	91	1.2%
Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0	0.0%
Utilities	1	0.0%	30	0.4%
Construction	259	4.5%	431	5.6%
Manufacturing	229	4.0%	526	6.9%
Wholesale Trade	475	8.2%	332	4.3%
Retail Trade	344	6.0%	961	12.5%
Transportation and Warehousing	83	1.4%	202	2.6%
Information	45	0.8%	93	1.2%
Finance and Insurance	65	1.1%	162	2.1%
Real Estate and Rental and Leasing	57	1.0%	99	1.3%
Professional, Scientific, and Technical Services	199	3.4%	289	3.8%
Management of Companies and Enterprises	0	0.0%	65	0.8%
Administration & Support, Waste Management and Remediation	39	0.7%	289	3.8%
Educational Services	1,491	25.8%	1,040	13.5%
Health Care and Social Assistance	869	15.0%	1,308	17.0%
Arts, Entertainment, and Recreation	34	0.6%	94	1.2%
Accommodation and Food Services	286	5.0%	685	8.9%
Other Services (excluding Public Administration)	77	1.3%	254	3.3%
Public Administration	1,116	19.3%	727	9.5%
Total	5,775	100.0%	7,678	100.0%

Source: U.S. Census Bureau. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. Note: Numbers represent primary jobs, not total jobs.

Exhibit A4. Job Openings by Workforce Region Per 1,000 People, 2018

Rank (Jobs/Pop)	Workforce Region	Job Openings	Population (July 1, 2018)	Job Openings Per 1,000 Population
1	Baltimore City WIA	158,593	602,495	263.2
2	Mid-Maryland WIA	99,627	491,625	202.6
3	Anne Arundel WIA	100,629	576,031	174.7
4	Montgomery County WIA	173,145	1,052,567	164.5
5	Frederick County WIA	32,910	255,648	128.7
6	Susquehanna WIA	44,552	356,782	124.9
7	Baltimore County WIA	102,124	828,431	123.3
8	Upper Shore WIA	19,520	171,904	113.6
9	Western Maryland WIA	27,537	251,064	109.7
10	Southern Maryland WIA	40,086	366,170	109.5
11	Prince George's County WIA	91,431	909,308	100.6
12	Lower Shore WIA	16,510	180,693	91.4

Source: 1. U.S. Census Bureau, Annual Estimates of the Resident Population: April 1, 2010 to July 1, 2018 (table: PEANNRES). 2. Maryland Department of Labor-Maryland Workforce Exchange: Labor Market Information (online advertised jobs data).
 Notes: 1. The table shows the distribution of job openings advertised online in Maryland by workforce development regions (Jobs Duplication Level 2). 2. Workforce regions include the following counties: Mid-Maryland Workforce Region-Carroll and Howard Counties. Susquehanna Workforce Region-Cecil and Harford Counties. Southern Maryland Workforce Region-Calvert, Charles, and St. Mary's Counties. Western Maryland Workforce Region-Allegany, Garrett, and Washington Counties. Upper Shore Workforce Region-Caroline, Dorchester, Kent, Queen Anne's, and Talbot Counties. Lower Shore Workforce Region-Somerset, Wicomico, and Worcester Counties.

Exhibit A5. Lower Shore Workforce Region: Job Openings and Candidates by Education/Experience Requirements (as of January 2020)

Minimum Education Level	Job Openings	Potential Candidates
Total	2,061	12,501
<i>% of Total</i>		
No Minimum Education Requirement/Less than HS Diploma	1.6%	2.1%
High School Diploma or Equivalent	8.4%	36.3%
Some College	0.0%	0.0%
Vocational School Certificate	1.1%	10.3%
Associate's Degree	0.7%	9.8%
Bachelor's Degree	3.2%	25.3%
Master's Degree	0.4%	12.6%
Doctorate Degree	0.0%	2.9%
Specialized Degree (e.g. MD, DDS)	0.0%	0.6%
Not Specified	84.6%	0.0%
Work Experience Requirement	Job Openings	Potential Candidates
Total	2,061	14,781
<i>% of Total</i>		
Entry-level	3.7%	0.0%
Less than 1 Year	0.4%	8.5%
1 Year to 2 Years	93.5%	4.1%
2 Years to 5 Years	2.1%	11.0%
5 Years to 10 Years	0.1%	17.9%
More than 10 Years	0.0%	58.4%

Source: Maryland Department of Labor-Maryland Workforce Exchange: Labor Market Information (online advertised jobs data). Notes: 1. This table shows the minimum required work experience/education level on job openings advertised online, as well as the experience/education level of potential candidates in the workforce system that are looking for jobs in Lower Shore Workforce Region, MD on January 6, 2020 (Jobs De-duplication Level 2). 2. Jobs De-duplication Level 2: High level de-duplication of advertised job openings (for statistical analysis).

Exhibit A6. Lower Shore Workforce Region: Top 10 Occupations by Growth, 2016-2026

Rank (Total Growth)	Occupation	Total Employment		2016-2026	
		2016 Est.	2026 Proj.	Total Growth	Annual % Growth
1	Preschool, Primary, Secondary, and Special Education School Teachers	2,311	2,918	607	2.4%
2	Nursing, Psychiatric, and Home Health Aides	1,672	2,185	513	2.7%
3	Counselors, Social Workers, and Other Community and Social Service Specialists	2,033	2,389	356	1.6%
4	Building Cleaning and Pest Control Workers	2,271	2,590	319	1.3%
5	Food and Beverage Serving Workers	5,542	5,843	301	0.5%
6	Health Diagnosing and Treating Practitioners	3,126	3,421	295	0.9%
7	Retail Sales Workers	6,479	6,770	291	0.4%
8	Other Installation, Maintenance, and Repair Occupations	2,045	2,324	279	1.3%
9	Health Technologists and Technicians	2,055	2,321	266	1.2%
10	Secondary School Teachers (Except Special & Career/Technical Education)	939	1,203	264	2.5%

Source: Maryland Department of Labor-Maryland Workforce Exchange.

Exhibit A7. Free and Reduced Meals (FARMS) Participation in Somerset County and Crisfield Schools

FARMS %	Somerset County	Carter G Woodson ES	Crisfield Academy & HS
2014	73.4%	74.5%	64.1%
2015	70.1%	74.0%	59.4%
2016	65.4%	69.8%	56.4%
2017	65.7%	69.7%	55.4%
2018	66.4%	63.7%	54.8%
2019	64.5%	63.7%	58.1%

Source: MD Report Card

Exhibit A8. Cash public assistance/SNAP Participation in Crisfield

Crisfield City, MD	Total HHs	W/ Supp. Security Income	W/ Cash public assistance income	W/ SNAP benefits in the past 12 months
2010	1,275	5.2%	3.1%	22.0%
2011	1,208	10.1%	3.2%	27.5%
2012	1,158	5.4%	5.0%	27.8%
2013	1,078	10.3%	6.9%	34.7%
2014	1,034	12.4%	8.5%	34.2%
2015	1,087	11.4%	7.5%	39.0%
2016	1,061	9.0%	6.0%	40.2%
2017	997	7.6%	4.7%	38.3%

Source: Census Bureau ACS 5-Year Estimates, Table DP03

Appendix B. Small Town Development Strategies

Economic Gardening	Place-Based Development	Creativity & Talent Cultivation	Innovative Industrial Development
The general theme of gardening is to “grow your own” by cultivating local entrepreneurs and creating an environment that supports their growth. This can include tax breaks, rent discounts and other conceivable financial incentives.	Place-based development incorporates strategies that capitalize on the distinctive characteristics of a particular place. Such characteristics might include the natural environment, cultural heritage, specialized infrastructure, and arts/crafts traditions.	Creativity & talent cultivation uses tactics that focus on attracting knowledge workers, equipping people with skills, and preparing people for community leadership. Arts and culture are often used to attract and retain talent and as occupational targets for apprenticeship and training programs.	Innovative industrial development incorporates business clustering and regional collaboration; often emphasizes “green” development; and makes use of creative incentive tools.

Source: Morgan, Jonathan Q., and William Lambe. “Find a way or make one.” *Economic Development Journal* 8, no. 3 (2009): 5-13.

	Economic Gardening	Place-Based Development	Creativity & Talent Cultivation	Innovative Industrial Development
Strategies and Tools	Entrepreneurship Information brokering Infrastructure Social capital Business incubators	Quality of life amenities Downtown development Infrastructure Tourism development Growth management Arts and culture	Arts and culture Workforce development Leadership development Social capital	Cluster-based development Regional collaboration Joint industrial parks Eco-industrial parks Green industry development Creative incentives
Example Communities	Douglas, GA Ord, NE Siler City, NC Fairfield, IA Star, NC Big Stone Gap, VA Elkin, NC Spruce Pine, NC	Nelsonville, OH Dora, OR Hillsborough, NC Bakersville, NC Etowah, TN Ayden, NC Colquitt, GA Big Stone Gap, VA Columbia, NC Hollandale, MS Scotland Neck, NC	New York Mills, MN Siler City, NC Morrilton, AR Rugby, ND Allendale, SC Douglas, GA Fairfield, IA Elkin, NC	Sparta, NC Washington, NC Oxford, NC Cape Charles, VA Reynolds, IN Douglas, GA Ord, NE Farmville, NC Etowah, TN

Source: Morgan, Jonathan Q., and William Lambe. “Find a way or make one.” *Economic Development Journal* 8, no. 3 (2009): 5-13. Recreated: Table 2. Alternative Economic Development Approaches.

Examples of Small Town “Place Based” Development Strategies Related to Tourism

Place-Based Development: Columbia, NC			
Population (2000):	837	Strategic Approach	Ecotourism
		Time Frame	1991-2007
Summary			
<p>Columbia’s strategy is to attract investment into the community through ecotourism, which involves dogged protection of natural resources. Through innovative partnerships, Columbia has received funding for and built a downtown boardwalk, a visitors’ center and a 4-H environmental education center, each of which attracts visitation. During the late 1970s, local officials began to aggressively recruit new businesses. The town was negotiating with an international aircraft manufacturer to relocate to Tyrrell County when, in 1988, Congress modified an obscure requirement pertaining to the interest rate on industrial revenue bonds. The project fell through and the town’s aspirations for luring a significant manufacturer were dashed. Instead, ecotourism (at the time a new concept) became the centerpiece of Columbia’s economic development strategy. “Ecotourism meant a rejection of certain types of economic development,” said Rhett White, the current town manager. “We rejected taking advantage of our natural environment and instead saw the potential to develop an economy around a pristine environment.” Columbia’s strategy was to work with neighboring communities in the Albemarle-Pamlico region to promote a regional ecotourism economy and to use innovative land-transfer arrangements to preserve land around town. Working through the Partnership for the Sounds, Columbia received a \$1 million grant from N.C. DOT to construct a new visitors center at the main entrance into town.</p>			
Outcomes			
<p>On average, the visitors’ center welcomes 400,000 people a year, a significant jump from previous visitation levels. In 2001, Columbia became home to a new \$10 million 4-H environmental education center complete with a 250-seat meeting room, 4 dining areas and 2 hotel-style executive lodges. Local officials estimate that more than 100 jobs have been created as a result of the ecotourism strategy, a substantial figure in a town of fewer than 800 people.</p>			
Lessons from this story			
<p>Protecting natural resources represents a way to attract visitors, create partnerships and translate those partnerships into investment.</p>			

Place-Based Development: Scotland Neck, NC			
Population (2000):	2,414	Strategic Approach:	Tourism Industrial development Business retention & expansion
		Time Frame:	1998-2007
Summary			
<p>Scotland Neck’s strategy is called the Developing Our Own Resources (DOOR) Initiative. It is a place-based economic development strategy involving three main approaches: attracting tourists, supporting small businesses and downtown merchants, and recruiting industry. The DOOR Initiative was established in 2002 with the primary objective being to stimulate sustainable economic development and diversification by engaging in activities that are consistent with Scotland Neck’s existing assets and resources. DOOR was conceived of and is driven by local elected officials, town staff, and a cadre of local volunteers committed to seeing the town prosper. In the face of economic stagnation and layoffs, Scotland Neck assessed its bountiful natural resources and decided to build its economy through support for the outdoor industry that was already attracting hundreds of fishing and hunting enthusiasts to town (without the town’s explicit support). Scotland Neck’s first step was to remove the barriers that were impeding the growth and expansion of local fishing and hunting guide service businesses. To provide more and better access to the Roanoke River, Scotland Neck partnered with the North Carolina Wildlife Resources Commission to improve the local boat ramp on the river. At the request of local hunting guides, the town began providing marketing and advertising support to guide service businesses by branding the town as “an outdoor paradise.” Recognizing the hidden value in the flat, rural back roads surrounding Scotland Neck, the town initiated an annual Country Roads Bike Tour to promote bicycle tourism. Other annual events hosted by the town include the Crepe Myrtle Festival, the Classic Car Show and Christmas on the Commons. Not only do these events build cohesiveness within the community, they also draw in hundreds of visitors, who spend thousands of dollars on food, shopping, lodging and entertainment.</p>			
Outcomes			
<p>From 2004 to 2005, local hunting guide revenues increased by 50 percent. Several new small businesses opened on Main Street. In 2005, the Best Western Scotland Neck hotel, a \$1.2 million investment, opened.</p>			
Lessons from this story			
<p>Community cohesion matters. Stepped up marketing is also critical to successfully executing place-based strategies. A commitment to attracting external funding to support community projects is also of critical importance.</p>			

Source: Lambe, William. 2008. *Small Towns and Big Ideas: Case Studies in Community Economic Development*. Raleigh: University of North Carolina School of Government, North Carolina Rural Economic Development Center.