



**Comprehensive Plan for
Economic Development in Baltimore City**

Bringing Forth a Baltimore Renaissance

February 1, 2016

Preface

In my years of experience of reviewing plans for Economic Development, I thought the responsible thing to do at this pivotal time is to re-discover the true purpose of “Economic Development” for Baltimore. This is important because the term is often used to persuade voters to think that Economic Development is all about big, flashy businesses, and the more the better. Economic Development for Baltimore is about all of the characteristics that make up a healthy environment where people can live, work, play and rest.

Economic Development is about creating and maintaining balanced economies so that people, all people, may thrive and live healthy balanced lives. Economic Development is about small business as well as big business. It is about healthy communities that include arts and entertainment. It is about neighborhood re-development. It is about relevant education and preparing a skilled workforce that will have access to practical jobs and compensation. It is about implementing environmental sustainability, advocating for urban design practices that are inspiring, and budgeting resources for recreation and leisure. It is about promoting physical health and life safety for all citizens.

Now, let’s look at Baltimore and ask these questions.

- Does Baltimore have communities that are devastated by blight and dysfunctional infrastructure?
- Do we have residents with a sub-standard mode of living that fails to foster economic growth and opportunity?
- Does Baltimore have residents who cannot afford to simultaneously pay for the basics— water, electricity, food and healthcare?

Unfortunately, the answer to each question is a resounding “Yes”. Baltimore City has communities with some of the same characteristics of an under-developed or war-torn community. These are what I call “vulnerable” communities.

It is important to note that vulnerable communities are not only the most predisposed areas to crime, pollution, sickness, blight and despair, but are actually the most expensive areas for our City to support.

We need solutions for Baltimore’s vulnerable communities as well as our more stable areas. My plan for Economic Development is to implement strategies that will strengthen all of Baltimore.

I believe that the solution is to get back to the true purpose of Economic Development. We need to bring balance to vulnerable communities that have been neglected and underdeveloped. My plan will create communities that are economically self-sufficient by planning communities complete with supermarkets, 21st century schools, commercial and retail corridors, recreation centers and neighborhood parks. This is the type of community that will bring people back to Baltimore City.

My Administration will maximize our resources and capitalize on growth opportunities that are in place, including industries of innovation, technology and medicine and wellness. We have one of the most natural Ports on the East Coast. We can expand our import and export opportunities and create hundreds of jobs. In addition, Baltimore has 25 linear miles of fiber optic bandwidth underground in downtown Baltimore, which is a selling point to attract major IT companies from around the world who would love to take up residence on the water front and provide thousands o jobs to our local economy. We have two of the greatest medical institutions in the world here in Baltimore—Johns Hopkins Hospital and the University of Maryland Hospital that both provide thousands of jobs to our city and I will work to ensure that as major employers, livable wage jobs are standard.

My plan will bring jobs and good paying jobs. It will provide the opportunity for all of Baltimore’s citizens to participate in the new global economy. It will re-capture lost tax dollars and put forth incentives to re-build communities.

And just as importantly, our children are a part of my plan. We need to look at how what we do today, will affect the inheritance of our children. Training and education are imperative so that our young people will know what opportunities will be available to them and they need to know how to prepare themselves.

Baltimore was once a “boom town” and jobs were plentiful. Baltimore both made and shipped products that were in high demand and our steel production was key to keeping our Nation strong. However, the post-war era changed the dynamics of the city with jobs and housing shifting to the counties, leaving urban Baltimore economically out of balance. Baltimore was further impacted by the riots of 1968 with some of our communities never recovering.

We are in this together. Let’s look towards working together to heal our vulnerable communities and strengthen our economy with growth and innovation.

To get Baltimore working, the Carl Stokes Economic Development Plan will prepare us today for a better tomorrow.

Read my Plan. Let’s Get Baltimore Working!

Bringing Forth a Baltimore Renaissance

Top Objectives for Baltimore City Economic Development

BRING MORE JOBS TO BALTIMORE

- ✓ Implement Market Driven Growth Strategies
- ✓ Create Effective Economic Development Tools
- ✓ Build a Skilled, Productive Workforce

NURTURE A BUSINESS FRIENDLY ENVIRONMENT

- ✓ Property Tax Reform
- ✓ Transportation and Transit
- ✓ High Speed Internet Service
- ✓ Regulations, Licensing and Permitting

EVALUATE AND RE-ORGANIZE GOVERNMENT AGENCIES

- ✓ Evaluate the Baltimore Development Corporation
- ✓ Implement an Inter-Agency Community Redevelopment Strategy
- ✓ Departments of Planning and Department of Public Works

ADDRESS UNDERLYING SOCIAL FACTORS

- ✓ Public Safety
- ✓ Public School Education

Bring More Jobs to Baltimore

IMPLEMENT MARKET-DRIVEN GROWTH STRATEGIES

Baltimore residents need more job opportunities with higher paying wages. With an annual per capita income of \$24,750 and a median value of housing units at \$157,900, many of our residents don't earn enough for home ownership or even to make ends meet. (*2010 Baltimore City Census*)

My efforts will focus on market segments that have the greatest potential for increasing higher paying jobs for City residents. One of the market segments with future growth potential that the Stokes Administration will maximize for Baltimore City residents is the Innovation Economy.

Innovation Economy

The innovation economy is an enormously powerful vehicle to rebuild the economies of our Nation's cities. Baltimore stands to be a big winner if we can craft a coherent, compelling innovation strategy that frames policy decisions focused on targeted geographic areas around industry niches that build on local resources.

I fully support innovation concepts such as Municipal Broadband and City-wide high-speed internet service.

As Chair of the City Council Finance, Tax, and Economic Development Committee, I visited a number of the Nation's leading innovation place-makers, programs and resources that are exploring expansion into Baltimore; including, Cambridge Innovation Center (CIC), Lab Central, Tech Shop, Venture Café Foundation, Impact HUB and Launch Code. The Stokes' Administration will make Baltimore a regional hub for innovation and a National player in this hugely important arena.

Within the Stokes' Innovation Economy strategy, there are three focus areas—Innovation Ecosystem, Leveraging Anchor Institutions, and Neighborhood Revitalization:

Innovation Ecosystem

For a balanced economy, Baltimore needs to support start-ups, entrepreneurs, creative talent and funding sources for start-ups. By supporting the success of these segments of the economy, growth will occur. Baltimore City will welcome top researchers and corporate Research and Development groups who favor the urban innovation districts.

- **Innovation Hubs**—Baltimore City has communities that are potential "Innovation Hubs". Each Innovation Hub will embrace its adjacent neighborhoods in a proactive effort to maximize education, workforce training and business opportunities for community residents. The Hubs will serve as a catalyst that supports natural growth of the "Innovation Ecosystem". Some of these Innovation Hubs include:

- **Station North**—Creative digital arts is one of the fastest growing tech segments and has a natural focus with active support from UB, MICA and Hopkins. Station North, a key priority for my City Council District, is building on an innovation cluster which includes Impact Hub, the Hopkins/MICA film program collaborative and the Open Works makers space. An important goal is to rally Baltimore’s vibrant arts community while embracing the Greenmount West community as a full partner.
- **EBDI**—After decades of effort, Hopkins is finally getting traction around its goals of commercializing its immense research base and promoting collaboration across its vast ecosystem. With health, bio tech, life sciences and health tech as the industry focus, Hopkins, Casey Foundation and Forest City are committed to one of the boldest neighborhood transformation efforts in the country.
- **BioPark**—UMB and the BioPark Innovation District are focused on West Baltimore neighborhoods. The BioPark is home to the headquarters of Wexford Science & Technology, the Nation’s leading developer of university anchored innovation districts. UMB, the BioPark and Wexford are supporting the launch of the Southwest Partnership’s comprehensive neighborhood transformation.
- **Port Covington**—Under Armour and its university partners at the University of Maryland have audacious plans to grow an innovation community around “making” and advanced manufacturing. Cherry Hill will be the logical community partner.

Leveraging Anchor Institutions

Baltimore has highly ranked institutions of higher education and health care, which brings to Baltimore great diversity of world-class research, top talent and creativity. With strong institutional leadership, these anchors are embarked on a bold campaign to leverage their resources for broader community prosperity.

For example, UMB Community Engagement Center and Hopkins LOCAL Buy, Build, Hire campaign are putting forth a solid effort to embrace the community. University of Baltimore, MICA, Morgan, Loyola, MedStar and Coppin are all eager to join.

Neighborhood Transformation

Anchor institutions and their private partners have a big stake in transforming adjacent neighborhoods. The opportunity is for a shared prosperity between Baltimore’s “innovation districts” and their adjacent community where the innovation players and anchor institutions aim to maximize the education, job and business opportunities for community residents.

Nurturing “Main Streets” and Neighborhood Retail—A critical driver of neighborhood prosperity is revitalizing commercial centers across our City. Vibrant retail areas not only are a great source of minority focused small business opportunities and community based jobs, but an essential amenity to strong neighborhoods. The Stokes Administration will expand the current Main Streets program with

additional tools and resources. These added resources may include a robust retail financing program, retail workforce training, events and programming support.

Growing the Local Food Economy—The local/regional food economy is fast emerging as a powerful force for rebuilding the economy of cities while bringing health and environmental benefits. Projects like City Seeds and the Baltimore Food Hub offer great hope for the neighborhoods of East and West Baltimore.

- **Economic Development**—Given the strong food culture in Baltimore, the food industry will sprout many new businesses such as City Seeds kitchen business incubator. Over time these businesses will create jobs. Culinary workforce training programs like those operated by the Maryland Food Bank will connect community residents to these jobs.
- **Health and Wellness**—Because of our top medical facilities, Baltimore has become a destination for medical treatments. We can be a city that attracts Wellness Tourism by complementing medical treatments with nutrition and wellness, which will create new and innovative job and business opportunities.
- **Environment**—Central to the food economy vision is promoting and advocating sustainable local farming to protect the Chesapeake Bay watershed. Community groups, such as G.R.A.S.S. (Growing Resources After Sowing Seeds) will be encouraged to get involved with local farming and eco-friendly practices to sustain good health and a good environment. Combined with education programs like Edible Schoolyard in our schools, our children will learn and promote health and nutrition at home.

CREATE EFFECTIVE ECONOMIC DEVELOPMENT TOOLS

With the Federal government increasingly absent from the urban economic and community development business and State government cutting back, the Stokes Administration will be strategic in seeking effective Federal and State support while growing more effective locally based programs and resources. Some specific economic development tools that will grow the City's economy include the following:

Choice Neighborhoods

Choice Neighborhoods is one of the few significant Federal community development grant programs left. Under new leadership, Baltimore's Housing and Community Development will be much more proactive in seeking Choice Neighborhoods and other grant resources.

Tax Increment Financing (TIF)

The Stokes Administration will advance a new kind of TIF where developers will support TIF investment in community projects alongside their project investment. To make TIFs more efficient, we will require developers to "self-fund" TIFs, avoiding the high transaction and borrowing costs of traditional public TIF

bonds. In addition, the BioPark Innovation District’s “Community Benefits Agreement” will be a model for supporting the education and workforce priorities of adjacent neighborhoods.

Target Community Fund

Working with the State of Maryland, foundations and corporate leaders, the Stokes Administration will explore establishing a targeted strategic real estate investment fund modeled after Cincinnati’s 3CDC. Cincinnati’s \$100 million fund, launched after Cincinnati’s riots in 2001, has had a dramatic impact on transforming deeply distressed neighborhoods around downtown. Focused on adjacent neighborhoods in support of Baltimore’s innovation district strategy, the Targeted Community Fund will promote commercial revitalization and job generation.

Main Street Program

The implementation in Baltimore of the National Trust’s successful Main Street Program for growing neighborhood retail areas is handicapped by a lack of resources. The Stokes Administration will seek corporate and institutional partnerships for each new designated Main Street target neighborhood. The City will offer matching funding to increase the minimal Main Street funding to a level that will support an effective staff and robust programming. (A full Main Street strategy is posted under separate cover)

Corporate, Institutional and Foundation Partnerships

Baltimore has terrific corporate, institutional and foundation resources. The Stokes Administration will energize these resources with a clear action plan to bring together our leadership, challenging all to join together with full hearted commitments.

General Obligation Bonds (GOB)

With a revamped State Department of Assessment and Taxation and a growing income and property tax revenue base, the City will be able to substantially increase GOB borrowing while maintaining a sound credit rating. In addition to increasing investment in schools, libraries, recreation centers and other important public facilities, GOB will also be used on a highly targeted basis to promote economic development and business investment.

BUILD A SKILLED, PRODUCTIVE WORKFORCE

The Stokes Administration will collaborate with the business, education and workforce training community to create opportunities accessible to community residents most in need of high quality, career path jobs that pay full benefits and a family supporting wage.

To maximize the return on education and training investments, the City will focus on those industry sectors that offer the greatest quality job growth.

Health Care

- **BCCC BioTech Institute**—One of the only community college programs physically integrated into the heart of a university anchored “innovation district”, the BioPark’s program, provides immediate validation of Baltimore City Community College students as full benefit University of Maryland students on the UMB campus with direct matriculation into four year and graduate programs.
- **Health Care Institutions**—University of Maryland Medical System (UMMS) and Hopkins have some of the best defined career paths beginning for those without a high school degree into high quality, family support jobs. Particularly important to note is the fact that these entry level jobs come with a built in education support system so community residents may advance in their careers while earning a paycheck. UMMS, Hopkins and other health care institutions recently committed an additional 1,000 new jobs for residents of East and West Baltimore neighborhoods. The Stokes Administration will aggressively support the adjustment in the health care reimbursement formula to support this effort.

Technology

With 20,000 vacant computer coder positions in the Baltimore region, the Stokes Administration will promote partnerships between employers and those education and workforce training programs that create a “digital on ramp” for community residents. Effective programs include the following models:

- **Rec2Tech**—The Digital Harbor Foundation’s “Rec2Tech” program is already a national model for introducing middle and high school students into the world of tech. Union Baptist Church, under the leadership of Reverend Al Hathaway, is launching this month one of the first replications of Rec2Tech.
- **Code in the Schools**—Working with a tiny budget, this highly effective programming is transforming tech education in a host of City schools. Visit Liberty School in Northwest Baltimore and come away amazed.
- **Launch Code**—The US Department of Labor’s only certified computer coder apprenticeship program, Launch Code is focused on creating an alternative track to highly paid tech opportunities for women and minorities. “Launched” in St. Louis at CIC and Wexford’s Cortex Innovation Community, Launch Code seeks to expand into the BioPark’s Innovation District in 2016.
- **BTI**—This highly successful “2+2+2” program takes high school students all the way into highly paid lab tech positions with industry and institutions. BTI is moving to the BioPark as part of the BioPark Innovation District’s commitment to promote career track opportunities for community residents.

Construction

The industry will be hungry for skilled crafts people in coming years. Any City resident working as skilled carpenter, plumber, mason or electrician will be set for life.

- **Apprenticeships**—One of the best vehicles for career training and education collaborations—where community residents can have a job with paycheck while learning—is apprenticeships. The Stokes Administration aims to move beyond dead end, entry level temporary jobs to life time career advancement opportunities.
- **Launch Code**— The US Department of Labor’s only certified computer coder apprenticeship program, Launch Code is focused on creating an alternative track to highly paid tech opportunities for women and minorities. “Launched” in St. Louis at CIC and Wexford’s Cortex Innovation Community, Launch Code seeks to expand into the BioPark’s Innovation District in 2016.
- **Jumpstart**—“Community hiring” in construction has too often meant placing individuals in unskilled “flagmen” and laborer positions with little long-term career opportunities. To promote career growth, the Stokes Administration will support programs like Jumpstart that focus on launching hard to employ community residents into specific skilled trades apprenticeships. The Exelon and the BioPark Innovation District have made major commitments to expand Jumpstart.

Nurture a Business Friendly Environment

PROPERTY TAX REFORM

The current Baltimore City property tax rate—more than double any other jurisdiction in Maryland—is a killer to growth and investment. A high priority of the Stokes Administration will be a 40-50 percent reduction in the tax rate over a 5-8 year period.

This rate reduction will be “earned” through a corresponding increase in the City’s revenue base, implemented responsibly without cutting investments in critical programs, like education. To address the current mess of a system where undervaluation and tax breaks are everywhere, the new policy will focus on making the system fair and equitable while promoting new investment. A more complete summary of this property tax reform will be provided separately, but key elements will include the following:

- **SDAT Reform**—SDAT technology is ancient—still operating with Windows 2000. With understaffing and lacking critical information, SDAT is notorious for under valuations, late and inaccurate assessments. Timely, fair and effective assessments will substantially increase the City’s tax base.

- **Homestead Tax Credit**— The current 4 percent annual cap on Homestead tax payments combined with SDAT’s undervaluations create great inequities among homeowners and reduce tax revenues on a long term basis. A phased in increase in the cap, as recommended by the prior Mayor’s Blue Ribbon Task Force on Tax Reform, would generate substantial additional revenue. The tax credit for low income homeowners would continue to protect those at risk.
- **State PILOT**—A PILOT on state owned properties leased to for profit businesses—such as the World Trade Center and the Port Authority—costs the City millions of dollars in lost tax revenues and creates an unfair competitive advantage for the State with privately owned properties.
- **Economic Development Incentives**—A major reduction in the City’s property tax rate will allow a corresponding decrease in the reliance on tax credit and other incentives.

TRANSPORTATION AND TRANSIT

The Stokes Administration will collaborate with Maryland Department of Transportation (MDOT), the Central Maryland Transportation Alliance (CMTA) and Transit Choices strategy to establish an action agenda for improved transportation and transit in the region and, most importantly, in Baltimore’s impoverished neighborhoods. A comprehensive transit system will grow jobs and investment while better linking workers to those jobs.

- **Bus Route Revamp**—Working with the Governor and MDOT, the Stokes Administration will quickly improve transit service across the City.
- **Circulator Expansion**—The Circulator will be an essential, free and reliable connector between low income community residents and jobs by integrating the City’s fragmented transit system.
- **MARC**—CMTA’s plan to link the region with a comprehensive seven days a week, reliable commuter rail system will connect City residents to the broad range of job opportunities across the region. With a relatively low price tag, MARC is the low hanging fruit of improving transit.
- **Water Taxi**—The Baltimore harbor has the best opportunity in the country to use water taxi service to connect its fastest growing neighborhoods with jobs.
- **Bikes**—Time to stop talking about bike share and DO IT.

HIGH SPEED INTERNET SERVICE

High speed, reliable and affordable internet service is essential to a prosperous community. The Stokes Administration will work with major service providers to develop strategies to expand free and reduced cost service.

REGULATIONS, LICENSING AND PERMITTING

A responsive government is one of the most important ingredients to attracting and retaining business while growing investment. The Stokes Administration will establish a Blue Ribbon Task Force of business, government, institution and community representatives to evaluate how best to expedite City processes and create a customer friendly City.

Evaluate and Re-Organize Government Agencies

Baltimore City has suffered over the past 20 years a significant decline in population which has resulted in a drop in tax revenue to the City. Past Administrations raised taxes and maintained the theory that the remaining population of residents must make up the difference in tax revenue.

With a focus on accountability, my Administration will transform Baltimore City to become an energetic catalyst for entrepreneurship and smart business growth.

To accomplish this vision, the Stokes Administration will re-organize City government in the following three ways:

EVALUATE THE BALTIMORE DEVELOPMENT CORPORATION (BDC)

As Mayor, I will task the BDC to bring about the most effective opportunities for business growth that will bring more jobs to Baltimore and revitalize Baltimore neighborhoods while elevating the City's image, globally, as a desirable place to work and live.

- **TIFs and Other Incentives**—A primary function of the BDC is to determine the needs of businesses and developers that seek City tax discounts to operate or complete a project. There are two simple phrases used in the BDC to determine the need for tax discounts. These phrases start with the “But For?” and the “But Why?”
 - I believe that Baltimore City Government should only grant tax discounts for businesses that need the help and could not be successful “but for” the discount; and
 - Will yield a good return for the public and answer the question “but why” we would all benefit from helping a business with a tax discount.

The Former Mayor has departed from the established policy of the BDC—The former Mayor completely derailed the policies of the BDC that were put in place to judiciously filter the needs of developers seeking City subsidies and tax grants.

Baltimore City has lost not millions, but hundreds of millions of potential tax revenues under the former and current Administrations.

As Councilman, I drafted a White Paper in 2010 that outlines the judicious use of tax incentives to developers. I have always fought for what is fair for Baltimore City residents.

IMPLEMENT AN INTER-AGENCY COMMUNITY REDEVELOPMENT STRATEGY

The goal is to ensure that neighborhood revitalization and community redevelopment are included in all of Baltimore's Economic Development plans and programs.

A targeted emphasis will be placed on communities that are identified as vulnerable communities. A vulnerable community is a community that cannot support its self economically due to an absence of self-sustaining revenue resources that is compounded by excessive blight, insufficient access to healthy food, public transportation and jobs.

A Community Redevelopment task force will immediately identify which communities will be considered the most vulnerable and assist each community group within vulnerable communities to develop their own redevelopment plan with the goal of getting vulnerable communities turned around to becoming self-sustaining, economically balanced and safe communities.

This strategy will also be proactive in addressing issues dealing with vacant houses, lead-based paint poisoning, large-scale blighted neighborhoods, polluted alleys, rodent infestation, as well as eco-friendly and practices such as energy efficient remodeling, historic preservation, and use of solar power.

Lead-based paint plagues our City's residents with toxic exposure that can cause learning disabilities or brain damage in children. The City residents most affected by toxic lead-based paint exposure are in the lower-income brackets whose options for better living conditions are limited. When economically vulnerable families are compounded with learning disabilities or physical and mental disabilities as a result of lead-based paint exposure, the cycle of economic vulnerability can become stronger.

The Stokes' Administration will implement a Dollar House Program to encourage new homeowners, investors, builders, and developers.

DEPARTMENT OF PLANNING AND DEPARTMENT OF PUBLIC WORKS

The Planning Department can have a major influence in the shaping of our city. Baltimore's blight and vacant buildings have existed for too long. The current question is "what is the Planning Department planning?"

As Mayor, I will make these requirements for the Planning Department:

- Publish a comprehensive plan to address the issues of Economic Development, Community Re-development and Neighborhood Revitalization with a particular focus on Baltimore's socio-economic demographics.
- Include in this plan all "Main Streets," potential "Innovation Hubs," Community Public Schools and institutions, major employers, and Community amenities.

- Work with the Department of Public Works to develop a plan for infrastructure needs for Municipal Broadband and high-speed internet that will initially service the Public Schools and the Public service agencies.
- Take initiative in resolving critical urban issues such as safer streets, ‘walkable’ neighborhoods, and sufficient green space for outdoor recreation.

Address Underlying Social Factors

We cannot forget that social factors have a direct impact on the city’s economic health and development. Detailed Public Safety and Education Policy Papers are forthcoming.

PUBLIC SAFETY

Public safety is critical for everyone living in the City. My plan for improving public safety includes engaging law enforcement officials with the communities that they serve. Additionally, to reduce recidivism, under my plan, businesses are encouraged to train and employ ex-offenders. The goal is to have a safe City for all citizens and thus attract more businesses.

PUBLIC SCHOOL EDUCATION

While Baltimore can boast of several great schools that are producing high test scores, there are too many schools that are lagging behind in meeting the education requirements for the current and future workforce. Consequently, too many of our young people are not prepared to enter the current workforce nor the future workforce.

As Mayor, I will transform Baltimore City government to become an energetic catalyst for entrepreneurship and smart business growth.

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