

City of Cumberland
Economic Development
Strategic Plan

Revised July 9, 2012

Executive Summary

Cumberland's economic history is one that has seen significant transformation due to the decline of its traditional manufacturing base, loss of major employers, and significant population decline. The economic decline within Cumberland has mirrored that seen in many similar communities and is tied to the increased economic globalization that has been trending for the latter part of the 20th century. Over the past decade the City of Cumberland has begun to move beyond the economic decline that has characterized it and establish itself as a regional leader of arts and entertainment, a destination for regional health services, an ideal location for technology based companies, as well as various service based industries.

The Economic Development Strategic Plan looks to capitalize on the successful efforts Cumberland has seen over the past decade and build upon momentum that was visible prior to the worldwide economic decline that started in the summer of 2008. Specifically, the Strategic Plan seeks to leverage the flourishing artist community and upper story residential efforts that have been instrumental in revitalizing the downtown into an effort that transitions Downtown Cumberland back into a regional center of commerce, culture, and entertainment. By focusing on the Central Business District as the primary economic generator, this plan seeks to solidify the progress that has been made and expand upon it to positively impact the entire city.

Based upon the current economic climate within the City of Cumberland, Allegany County, and the extended region, as well as national/international economic trends, the strategic plan addresses five Economic Development Initiatives meant to address future economic opportunities for Cumberland. These initiatives are grounded in economic development theory and provide a diversified approach meant to move in the direction of a more sustainable economic future for the residents in the City of Cumberland. The Economic Development Plans five initiatives are:

I: Position and Market Cumberland as a Site for the Growing Trend of Rural-Sourcing

II: Expand the Role of Post-Secondary Education Institutions and Facilities in Cumberland

III: Develop, Attract, and Strengthen Businesses that Fill Strategic Needs in the Regional Economy

IV: Position Downtown Cumberland as the Premier Entertainment, Cultural, and Corporate Hub of the Primary and Secondary Market

V: Target the Willowbrook Road Corridor for Continued Healthcare Business Development

Each initiative called for in the Strategic Plan contains specific Action Items meant to establish baselines by which to judge progress and allow for reevaluation of the targeted goals. The Action Items for each Initiative within the Strategic Plan addresses the necessary evaluation of goals, capacity, and targets; the approach for pursuing stated goals; as well as a component meant to establish long range development goals that are possible through the successful transformation of the City of Cumberland's economy.

It is important to acknowledge that this plan is not meant to be a departure or rejection of previous efforts, but one that looks to direct the limited resources and staff of the Economic Development Department toward strategic goals with the potential to generate significant economic activity resulting in job/wealth creation as well as population growth. The initiatives also look to leverage the resource of high capacity, high speed broadband fiber that will be available for expansion to businesses in August of 2013. This Strategic Plan is meant to work in conjunction with other economic development stake holders within the community and leverage their efforts in order to enhance the well-being of the residents of the City of Cumberland.

Strategic Initiative I: Position and Market Cumberland as a Site for the Growing Trend of Rural-Sourcing.

Rationale: Communities require a broad economic base in order to create a sustainable regional economic structure which enhances the well-being of its residents.

An effort to establish Cumberland as a center for Rural-Sourcing (also known as – on-shoring, in-sourcing, or domestic-sourcing), as well as becoming a rural development model for the state of Maryland can provide residents with employment opportunities as well as attract new residents able to take advantage of Cumberland’s affordability.

Rural-Sourcing is most closely linked theoretically to the Product-Life Cycle of Economic Development, which suggests that as innovation transitions into the more routine; it looks to depart urban centers for more rural settings due to an inherent need to reduce cost in order to maximize profit. It is this shift that warrants Cumberland’s focus on fostering an environment conducive to rural-sourcing within the city.

The emerging market for Rural Sourcing (otherwise referred to as in-sourcing, domestic-sourcing, or on-shoring) creates opportunities for rural communities to attract activities from various industry sectors due to lower costs from urban locations, and higher efficiency from out-sourcing locations. A recent federal and state focus on “in-sourcing” provides Cumberland with the backdrop suitable for assembling a variety of state and federal incentives to encourage growth in this area.

Strategic Initiative Action Items:

1. STUDY RURAL-SOURCING POTENTIAL IN CUMBERLAND

Initiative: Contract with a consulting firm specializing in rural-sourcing to determine appropriate industries to target that are likely to consider Cumberland as an option for relocation.

Rationale: Leveraging the expertise of firms that specialize in site selection for rural-sourcing activity would be appropriate to assist City staff in the execution of this initiative.

Action Items:

1. Research available firms in the region that specialize in Rural-Sourcing services.
2. Solicit proposals to conduct a study of Cumberland’s suitability for companies that may benefit from rural-sourcing

2. ESTABLISH COMMUNITY CAPACITY

Initiative: Create a database of properties (buildings and sites) suitable for use by companies identified in the city’s rural-sourcing study.

Rationale: As Cumberland begins to market itself as a location for Rural-Sourcing there will be a need to have identified properties suitable for a variety of uses in the spectrum of Rural-Sourcing.

Action Items:

1. Create an interactive GIS based Commercial Property Database to assist outside firms in identifying those properties seen as having direct capability to be used for rural-sourcing activities.
2. Provide support for and maintain contact and cooperation with Allegany County Economic Development Office, Maryland Department of Business and Economic Development, Tri-County Council, Appalachian Regional Commission, and the Maryland Rural Broadband Cooperative in order to provide current data regarding property availability for growth, development, and expansion.

3. DEVELOP STATE PARTNERSHIP

Initiative: Establish a pilot-program for Rural-Sourcing in Maryland in cooperation with the Maryland Department of Business and Economic Development (MD DBED)

Rationale: Through creating a forward looking economic development approach and pursuing rural-Sourcing as a primary economic driver, Cumberland has an opportunity to become a model for rural development in the State of Maryland. Stat agencies, including the office of the governor, have indicated a commitment to working with local leaders on developing this initiative

Action Items:

1. Continue dialogue between city leaders and state economic development allies to ensure understanding and coordination of our efforts.
2. Develop a program that includes state and local incentives for businesses to relocate their operations to Cumberland.
3. Maintain communication with all related agencies regarding successful rural-sourcing efforts to allow them to use Cumberland as an example of sustainable rural economic development practices.

4. RECRUITMENT

Initiative: Market the City of Cumberland to identified companies suitable for relocation to Cumberland as identified in the city's Rural-Sourcing study.

Rationale: In conjunction with the previously identified aspects of this Initiative the City of Cumberland will aggressively and proactively market itself to entities responsible for creating rural-sourcing opportunities for businesses seeking to evolve using the principles of rural-sourcing.

Action Items:

1. Develop online and print marketing strategy to reach decision makers within the corporate and site selection communities. These strategies will highlight the city's focus on educational opportunities, workforce capabilities, relatively low cost of doing business, and quality of life as highlights of Cumberland's potential for growth opportunities.
2. Develop relationships with regional site selection firms to ensure Cumberland maintains a prominent position among communities willing and able to work with prospective clients.
3. Continue consulting with rural-sourcing experts and firms currently having success in this field to ensure our efforts remain in line with the needs of our targets

Strategic Initiative II: Expand the Role of Post-Secondary Education Institutions and Facilities in Cumberland.

Rationale: Communities that have the good fortune to have significant College/University presence tend to have more stable economies, higher wages, and spin-off growth.

Higher Education is a growth industry in the country and is not constrained by certain transportation and geographical issues that other employment sectors would view negatively in Cumberland.

Jobs within the post-secondary education industry tend to be characterized by a certain level of stability. The low level of volatility would present an economic sector with potential to grow steadily and produce complementary employment opportunities and foster an entrepreneurial atmosphere.

Given the volume of available commercial and residential building stock, Cumberland has the existing Infrastructure to handle both institutional growth and residential demand associated with the presence of post-secondary institutions.

In addition, Maryland has enjoyed growth in population, has a University system that wants to grow, and lies within 6 hours of a massive population base. These factors make this a potential growth strategy for Cumberland. The impact of added professionals in the fabric of the community as well as students coming in the area would be catalytic.

Strategic Initiative Action Items:

1. DETERMINE INTEREST:

Initiative: Determine the level of interest to locate programs of higher learning among regional educational institutions.

Rationale: There is need to establish a baseline assessment of existing interest among institutions to grow and expand in the city.

Action Items:

1. Establish and maintain dialogue with institutional leaders at Frostburg State University and Allegany College of Maryland to foster expansion within Cumberland.
2. Continue dialogue with institutions who responded to the city's first Expression of Interest (EOI) for the occupation of 19 Frederick Street.
3. Establish dialogue with the Maryland Secretary of Education.
4. Establish dialogue with the University of Maryland Board of Regents to encourage their participation in the use of Cumberland as a growth destination.
5. Conduct a needs assessment to determine what types of post-secondary programs would have the strongest potential for success. This should extend beyond the traditional scope of simply considering undergraduate and graduate programs and should include a variety of vocational training initiatives.
6. Research other cities similar in size to Cumberland that have a high concentration of higher education facilities to assess strengths, weaknesses, challenges, and solutions associated with increasing an educational presence in the community.

2. ESTABLISH BUILDING INVENTORY:

Initiative: Conduct an asset inventory of properties suited for this initiative.

Rationale: As institutions respond with interest, it will be necessary for us to have a variety of real estate options prepared so that we may respond in a timely manner. (this assessment can be conducted in conjunction with other property inventory initiatives and does not need to re-invent the wheel).

Action Items:

1. Review existing and known commercial properties throughout the city that could logically serve a variety of needs within post-secondary institutions. The building inventory should also serve as a catalyst in discovering space suitable for a variety of 'non-traditional' programs. Properties would include city-owned properties as well as private properties.
2. Identify a variety of neighborhoods suited towards the inclusion of residential housing within this initiative. Property condition, proximity to potential instructional facilities, and the establishment of critical mass should all be considered.

3. RECRUITMENT.

Initiative: Aggressively market and recruit institutions to locate in Cumberland.

Rationale: Once the aforementioned needs assessment is completed, and building stock evaluated, the city will have the appropriate information necessary to market and recruit programs suited for our area. Cumberland will take a strong, pro-active stance in promoting education in the city.

Action items:

1. Assemble a small 'recruitment team' capable of speaking on the city's efforts in education recruitment. The team should be coordinated by the Director of Economic Development and should be no more than five individuals charged with reaching out to institutions of higher education.
2. Maintain a current list of incentives and funding sources available to help seed this initiative.

4. PURSUE FLIGHT TRAINING FACILITY

Initiative: Take a lead role in attracting a flight school to locate in the Greater Cumberland Area.

Rationale: With a major runway upgrade to the Cumberland Airport slated for completion in 2016, the area would be well served by the addition of a flight school to highlight the benefits of this improved resource. In addition to serving as a logical tie-in with the city's growth in education, the addition of a flight-training facility serves to help direct additional attention and traffic to the Cumberland Airport.

Action items:

1. Work directly with Frostburg State University and Allegany College of Maryland to determine the institution's interest in pursuing this opportunity.
2. Reach out to existing post-secondary programs to encourage their expansion/relocation to Cumberland.
3. Assist in the determination of options for classroom instruction facilities in conjunction with the practical instructional space at the airport.

Strategic Initiative III: Develop, Attract, and Strengthen Businesses that Fill Strategic Needs in the Regional Economy.

Rationale: Cumberland has historically been a regional hub of commerce for Western Maryland, the Eastern Panhandle of West Virginia, and portions of South Western Pennsylvania

Not unlike many traditional regional hubs of commerce, Cumberland has experienced a noticeable decline in its share of the regional market. Identifying opportunities to relocate and offer expansion possibilities for recognized firms, as well as recognizing the potential of growing local small businesses will work to fill the void in the local market will provide Cumberland with a sustainable and realistic job growth strategy.

The action items for this Initiative need to work in conjunction with a Regional Business Development Sub-Committee made up of members of the Cumberland Economic Development Commission as well as community members with insight into potential target niches. This sub-committee should meet to discuss potential target niches bi-annually or quarterly.

Strategic Initiative Action Items:

1. Determine Needs:

Initiative: Determine the local needs and areas in which the current business base fails to meet the reasonable desires of residents.

Rationale: A baseline of local needs and regional gaps in business service is needed prior to undertaking the effort to recruit or expand businesses within the area.

Action Items:

1. Develop a survey to be distributed to local businesses and community leaders asking for assistance in identifying targeted niches or service providers.
2. Identify cities of comparable size in order to assess shortfalls within the local economic base.

2. Identify Expansion Potential:

Initiative: Identify the potential of local firms to expand their operations in order to meet needs currently being met by outside firms.

Rationale: Actively working with local firms to strengthen their abilities and market reach will further allow the current economic base to meet the needs of the local population and create stronger relationships and community loyalty.

Action Items:

1. Establish a more coherent and unified business retention/expansion program within the Economic Development Department.
2. Work to identify local business capable of expansion into markets now serviced by firms outside of the community.

3. Recruit Regional Providers Serving Other Markets:

Initiative: Recruit regional service providers who are looking for expansion opportunities and currently serve similar sized communities, and maintain an active and amendable target list.

Rationale: Targeting businesses which are currently in an expansion mode and serve communities of similar sizes are more likely to be enticed to locate within Cumberland.

Action Items:

1. Develop relationships with regional site selection firms in order to ensure they are aware of Cumberland and our business friendly climate.
2. Develop marketing material and aggressively pursue targeted businesses that serve strategic regional needs
3. Establish Regional Business Development Task Force responsible for assisting Economic Development Department in identifying targets.
4. Establish recruitment routine to ensure adequate focus placed on recruitment of businesses filling regional needs.

4. ENTREPRENEURIAL ATMOSPHERE

Initiative: Create an atmosphere conducive to entrepreneurial activity within the City of Cumberland

Rationale: Entrepreneurs are not simply looking to run a business; they are looking to channel their innovative abilities to profoundly impact the world around them. It is acceptance of this idea and outlook on life that characterizes communities having widespread economic development success and building themselves as regional commerce centers. Developing a community structure that embraces and encourages entrepreneurial activity is vital to the ability of a community to transition to a new economic reality.

Action Items:

1. Identify existing local entrepreneurs and seek ways to identify entrepreneurs with roots in Cumberland and the surrounding areas.
2. Establish additional and build upon existing community mechanisms to celebrate local entrepreneurs and the ways in which they impact the community. This could be an annual event, a series of events, or an annual award.

Strategic Initiative IV: Position Downtown Cumberland as the Premier Entertainment, Cultural, and Corporate Hub of the Primary and Secondary Market

Rationale: The overall health of a city can be measured by the health and vitality present in its downtown. Creating cultural attractions, events, and employment opportunities will increase the overall activity in the downtown area as well as enhancing the City's existing reputation as a regional destination for arts, culture, and business. The current Economic Development Strategic Plan already contains focal points related to this initiative and could be incorporated into a singular effort. Cultural & Heritage Tourism, Artist Recruitment, Upper-Story Residential Development, Niche Retail Development, Historic

Preservation efforts, and the continued leveraging of the City existing designation as an Arts & Entertainment District, a Main Street Community, and a Certified Heritage Area are all encompassed within this initiative; even if not specifically spelled out as Action Items.

The infrastructure present in the downtown as well as the presence of the Great Allegheny Passage and C&O Canal hiking/biking trails are suited for our targeted goals and can serve as a selling point for accomplishing this initiative.

Strategic Initiative Action Items:

1. Implement Downtown Districts and Institute Micro Districts

Initiative: Further implementation and emphasis of the downtown districts and target specialized districts within the structure of the downtown districts.

Rationale: The concept and establishment of distinctive districts within the downtown of Cumberland have already been established, but these areas have not been effectively branded and developed in a way to distinguish themselves. Further entrenching the identities of these districts will make the downtown more easily navigable by visitors and will allow for the creation of micro-districts in the downtown. Micro-districts act in the same way as cluster development, whereas critical mass is established by virtue of concentration of similar activities. This makes destinations more recognizable and easier to navigate.

Action Items:

1. Reaffirm and identify the name and boundary of each downtown district and design gateway signage for each. Signage should be unique to the district but unified through a common artistic theme.
2. Develop micro district concepts, such as a “City Walk” district on Mechanic Street between Frederick Street and I-68. The “City Walk” district would be within the Town Centre District and its focus would be on attracting businesses focused on entertainment and hospitality.
3. Secure a multiplex cinema to become the anchor of the “City Walk” concept and establish the concept of the micro-districts
4. Develop targeted businesses for each micro-district and encourage tax incentive programs aimed at incentivizing property owners to locate targeted businesses.
5. Form cooperative associations amongst the business owners within the micro-districts.

2. Coordinate Events and Recruitment Efforts

Initiative: Establish a Downtown Cumberland Conventions and Visitors Bureau

Rationale: In order to ensure a unified approach to, and proper coordination of events taking place in the downtown it would be beneficial to create an entity devoted to working toward this goal.

Action Items:

1. Creation of a Downtown Cumberland Convention and Visitors Bureau. Suggested composition of Bureau would consist of City Economic Development Coordinator, Downtown Manager, Canal Place Executive Director, Allegany Arts Council Executive Director, Allegany County Tourism Director, and a representative from Windsor Hall, Embassy Theater, Western Maryland Adventures, Holiday Inn, Fairfield Inn, Cumberland Inn and Spa, Bruce House Inn, and the Inn on Decatur.
2. Designation of staff to act as coordinator on behalf of the Convention and Visitors Bureau.
3. Create marketing material and strategy for the recruitment of events and potential conference activities.

3. Recruit Office Development Opportunities

Initiative: Aggressively recruit occupants within the Governmental, Corporate, and FIRE (Fire, Insurance, and Real Estate) sectors in order to increase upper story development.

Rationale: Retaining the existing professional office base and targeting additional tenants will increase traffic in the downtown, creating a more vibrant atmosphere.

Action Items:

1. Creation of marketing material focused on recruiting additional professional office establishments to locate in downtown Cumberland.
2. Within effort to produce comprehensive property database, establish subset devoted to downtown office space.
3. Encourage discussion on using the George's Street parking garage as an incentive to businesses considering locating in downtown – one year free parking, free customer parking, etc.
4. Determine feasibility of additional public parking facilities being built to accommodate corporate/business parking.
5. Continue to incorporate the concept of Upper-Story Residential development into redevelopment plans within the downtown.

4. Pursue Additional Transformative Development Projects

Initiative: Pursue as part of a long range plan the establishment of transformational development projects that further establish downtown Cumberland as a regional center of culture.

Rationale: There are large development pieces remaining that could fill a void that has been left in long economic decline Cumberland has experienced. Establishing long term goals and maintaining them as priorities will ensure we continue to build toward the goal of reclaiming the position as the regional center of culture and commerce.

Action Items:

1. Secure a multiplex cinema to locate in Downtown Cumberland
2. Establish partnership with the B&O Railroad Museum Association or an interested non-profit organization in order to pursue creation of a railroad museum in downtown Cumberland.
3. Identify sections of the downtown area conducive to redevelopment for large scale community or retail projects and identify property owners to gauge willingness to participate in efforts to revitalize the downtown.
4. Establish public/private partnership with the mission of creating a large (1,000+ seat) performing arts center as a central point of the revitalized downtown.

Strategic Initiative V: Target the Willowbrook Road Corridor for Continued Healthcare Business Development.

Rationale: Healthcare is a growing industry and one that is characterized by a large level of stability when contrasted with other industry sectors. Cumberland has already established itself as a destination for quality healthcare and a broad base of available services

The Willowbrook Road area has already become known as a destination for healthcare services and an ideal location for medical specialists to target for site selection.

The further expansion and development of the Willowbrook Road as a Medical Corridor provides an opportunity to create synergistic relationships between the Western Maryland Health System (WMHS), Allegany County Health Department, existing private medical service providers, the Finan Center, and the medically focused curriculum at Allegany College of Maryland.

Strategic Initiative Action Items:

1. Define Willowbrook Road Corridor:

Initiative: Define the geographic area to be identified as the Willowbrook Road Healthcare Corridor.

Rationale: There is a need to identify appropriate tracts of land to target for development/redevelopment as healthcare related industry, so as to recognize limitations or possibilities based on current zoning, topography, utilities, flood plain boundaries, and potential access points allowable by the Maryland State Highway Association.

Action Items:

1. Work with Engineering Department to identify manageable patterns of growth along Willowbrook Road and its surrounding area.
2. Identify all developable properties within the identified growth area and document their zoning designation

2. Research Similar Healthcare Corridor Development

Initiative: Research successful healthcare corridor development in cities of similar size to obtain information on how strategy as well as complementary businesses which have either developed partnerships with major medical providers or provided complementary services

Rationale: Healthcare corridors have provided significant economic development success in similar sized rural population centers. Knowledge gained from observing these similar localities will allow Cumberland to identify options that have produced successful outcomes.

Action Items:

1. Identify similar communities that serve as rural healthcare centers
2. Research the specifics of their efforts, failures, and successes to provide insight into our efforts moving forward.

3. Promote Willowbrook Road Corridor as Medical Corridor

Initiative: Use information gathered to promote the use of Willowbrook Road as a medical corridor serving the region.

Rationale: The information obtained previously will assist in recruitment efforts of targeted service providers and complementary industry.

Action Items:

1. Compile list of targeted medical service providers and complementary industry to target for recruitment for the Willowbrook Road Medical Corridor.
2. Develop marketing material and recruitment approach in order to effectively and aggressively pursue targets
3. Reassess the viability of each target and work with regional allies to identify additional targets

4. Encourage Synergistic Partnerships

Initiative: Encourage the development of synergistic partnerships between occupants of the Willowbrook Road Corridor and businesses within the city.

Rationale: Opportunities for partnerships are often times overlooked by business entities within the same locality; working to find linkages between existing firms create mutually beneficial circumstances.

Action Items:

1. Establish consistent business retention program with emphasis on identifying untapped synergy within the local markets.
2. Solicit advice and information from area business leaders on their suggestions on strengthening local linkages.