
Chapter 11 Economic Development and Tourism

I. Vision

Talbot County Maryland is known as the center of the Environmental Peninsula, a premier location for natural resource based companies. Talbot County has clean, safe communities that boast strong, balanced economies. The County's strong agribusiness and seafood industries are the result of thriving working farms and viable fisheries. The agribusiness, seafood and food product-related industry clusters co-exist with environmentally friendly technology companies, light manufacturing, recreation, and service industries.

Family wage jobs are abundant, providing low to moderate income families with opportunities to improve their status, thereby sustaining a comfortable living standard. High quality job training and education for adults and young people enables them to find work and careers in our trade area. The average wage and wealth equivalent is at the same level with the rest of Maryland.

Growth is centered in existing towns and villages that have adequate water, sewer, transportation, technology and other necessary infrastructure to serve residential, commercial and industrial needs. A regional transportation authority unifies the region while minimizing traffic congestion.

The continuing unspoiled rural character, country viewscapes and sparkling shorelines support a healthy tourism industry. The County has captured the benefit from renewed interest in heritage and eco-tourism.

The arts based cottage industries have continued to prosper and enjoy support from the local residents and tourists.

Our towns have attractive historic districts and profitable merchants. There is an abundance of safe and affordable housing and a low crime rate. The elderly population has access to transportation, affordable, first-rate healthcare, and retirement accommodations necessary to maintain a positive quality of life.

The County's natural resources are well managed so future generations may enjoy the associated recreational activities, using them wisely and effectively. Water quality in our bays, rivers and streams is exceptional, providing a home for robust populations of crab, shellfish, and other wildlife.

The residents and elected officials actively engage in proactive, innovative efforts to maintain their quality of life and determine their future. Successful economic development creates more local job opportunities and sustains the quality of life in the County. A diversified and expanded tax base creates the funding necessary to provide public services and facilities for our residents.

Goal

Diversify and expand the County's economic base to provide a broad range of employment opportunities resulting in a strong tax base

II. Introduction

Talbot County's location and physical features, together with a number of other characteristics and qualities combine to form a framework of assets to support potential future economic growth and continued diversification. Talbot County offers a superior quality of life with abundant recreation, cultural and social opportunities.

The major commercial centers in the County are located in and around the incorporated Towns of Easton and St. Michaels. Most of the undeveloped commercially zoned land in Talbot County is located within the corporate limits of the Town of Easton. Very little undeveloped land is zoned for commercial growth outside of the County's incorporated areas or in the other municipalities.

Although the County has traditionally had lower unemployment than other areas of the State, many of the County's residents are under-employed. Many jobs in tourism, retail sales and non-professional services do not pay high wages. Many of the County's younger residents have had to leave the County to find higher paying jobs elsewhere.

One of the principal purposes of an economic development effort is to provide sufficient tax base for the continued prosperity of the County. The fiscal result of economic development is an increasingly diverse and sustainable community tax base. A stronger tax base enables a community to support a higher quality of life through reinvestment in a broader array of community services and amenities. However, the current revenue tax cap under which Talbot County currently operates, limits the financial benefits that a jurisdiction typically garners when commercial/industrial growth occurs and, therefore, restricts the benefits Talbot County residents receive.

A. Economic Sectors

Talbot County's economic base has transitioned from agriculture, seafood and boat building as the mainstays of the economy to a service economy. In 2000, the service industry was the largest industry in the County employing 37% of the labor force with 9,212 full or part-time jobs. Health care related activity accounts for approximately one-third of the service industry. The retail trade industry is the second largest sector employing 20% of the labor force with 4,852 full or part-time jobs, of that restaurant jobs accounted for 33%. Manufacturing is the third largest industry sector, employing 2,959 workers. Between 1990 and 2000, the service industry created the largest number of new jobs. (see Table 11. Chapter 2. Planning Assumptions for more information)

Talbot County's workforce is largely drawn from the Eastern Shore. In 1990, 12,524 County residents commuted to a local work destination, accounting for 67% of the workforce. In 2000, that number had dropped to 12,194, accounting for 62% of the workforce. Inbound commuters now account for 38% of the County workforce.

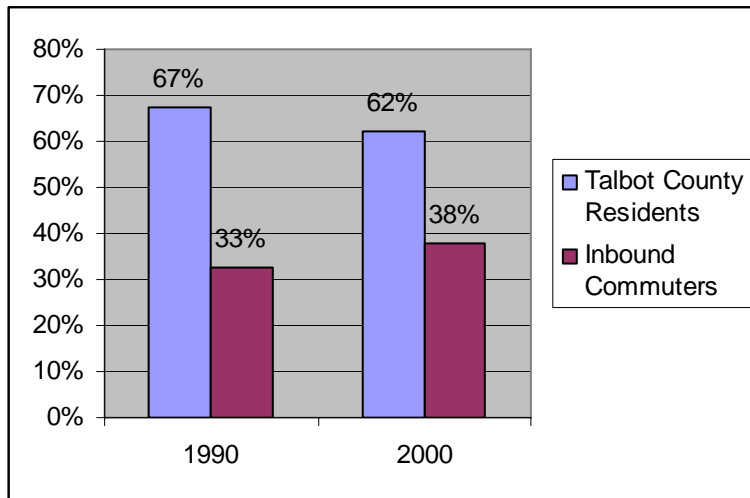


Figure 11-1. U. S. Census 1990, 2000 Journey to Work

Most of the inbound commuters are drawn from nearby counties, with the Upper Eastern shore accounting for 57% and the Lower Eastern Shore, 31% of inbound commuters.

Residents traveling out of the County for employment increased from 3083 in 1990 to 3,836 in 2000. In 2000 18% reported traveling to the Baltimore region, and 22% commuted to workplaces in the Lower Eastern Shore.

B. County Economic

Development Efforts

The Talbot County Office of Economic Development (OED) was established in 1994. Since then the OED has focused on the retention and expansion of existing businesses with additional efforts in assisting new business start-ups and a reactive stance toward the relocation of businesses from outside the County.

More recently the OED has positioned the County to become proactive in the recruitment of targeted businesses. The “Environmental Peninsula” (EP) is an effort spearheaded by Talbot County to create a cluster of environmental businesses on the Eastern Shore of Maryland. The EP has been well received and has gained the support of counties throughout the region as well as from the Maryland Department of Business & Economic Development (DBED); the Mid Shore Regional Council; the Chesapeake Bay Region Technical Center of Excellence; and from all of the government research and post-secondary educational institutions located on the Eastern Shore.

The Talbot County Chamber of Commerce offers assistance to local businesses trying to expand in the community through programs such as the Service Corp of Retired Executives (SCORE). The Town of Easton has recently established a new economic development position that is designed to focus on the Easton Town Center, but will also work with the OED on various initiatives.

Services offered by the OED include access to financial assistance programs; education and training programs; regulatory assistance; statistical and demographic information; an inventory of available sites and buildings; and, assistance with information on housing, finance, zoning, and licensing. Additionally, the OED has formed partnerships with local, regional, State and Federal governments, as well as with education and workforce development organizations.

The Talbot County Economic Development Commission, the Office of Economic Development, the Talbot County Housing Office, and various other entities are addressing the complex and important issue of affordable housing. Affordable housing impacts not only the residential community, but has serious implications for the business community.

A Bed Accommodation Tax is collected from hotel, motel, bed and breakfast, country inns, and vacation rentals throughout Talbot County. The collections are returned to the municipalities that collected the taxes less a minimal administrative fee. Taxes collected in non-chartered jurisdictions remain with the County government and are used to support the Talbot County Office of Tourism and Department of Economic Development.

III. Opportunities for Economic Growth

A. Agriculture and Tourism

Talbot County's agricultural industry is still a major component of the County's economic base, occupying 63% (109,572 acres) of its land area and provides \$48.7M in gross annual sales revenue. While the gross sales of agricultural industries is one measurement of the impact of agriculture on the economy, industries that are linked to agriculture must also be considered to better estimate the total economic impact. "Backward-linked" industries are all of those that the agriculture industry supports through purchases. These industries include fuel, fertilizer, machinery repair, feed and many others. Due to the large purchasing power of agriculture on the Delmarva, backward-linked industries rely on purchases made by agriculture to support their employees and economic prosperity. "Forward linked" industries also rely on agriculture. These industries purchase agricultural commodities and in some way, add value to them through packaging and/or processing. Backward and forward linked industries contribute more than \$165M to the local economy.

The farms, open space and shoreline are important to the County's image throughout Maryland and the nation as place to live and visit. Agriculture must remain viable to maintain significant acreage in open space and low density development. Agriculture serves a dual role, providing an economic benefit to the County and serving as a base for the preservation of the quality of life that is believed to be worth protecting.

Tourism, like agriculture, serves a dual purpose providing direct economic benefits and providing the economic rationale for preserving a high percentage of County land in farms and open space. The Tourism industry in Talbot County has grown substantially in recent years. While traditional industries like the restaurant or boating industry in the County have long benefited from the tourism economy, the focus in recent years has been on development and growth of the County's "Heritage" Tourism and "Nature-based" Tourism (eco-tourism) opportunities. The County's most unique characteristics including its abundant historic and cultural resources, its 600 plus miles of shoreline, its towns, villages and its largely rural character provide the qualities that create a premier destination for visitors seeking a heritage tourism or nature-tourism experience. We should continue to preserve and protect these valuable assets.

According to the Maryland Office of Tourism Development, total travel expenditures have risen dramatically in Talbot County from 22.7 million dollars in 1980 to over 107 million in 2002; more than a four-fold increase during the 22 year period. Travel generated employment in the County more than doubled, and grew from an estimated 764 industry employees to 1,600 over the same period. Tourism generated \$4.8 million in County tax receipts in 2002 and represented 11.3% of the total county tax revenue. Accommodations or room tax collections for Talbot County over the past 10 years reflects similar growth trends. From 1990 to 2003, revenues increased from \$285,824 to \$643,508.

B. Industrial and Commercial

Very little undeveloped land is zoned for commercial growth outside of the County's incorporated areas. Industrial parks in the County range in size from one to 160 acres with sites available from one acre to thirty-five acres. Industrial parks include: Clifton Industrial Park; Airport Industrial Park; Easton Business Center; Glebe Business Park; Carlton Business Park; Easton Technology Center; and, the Talbot Commerce Park.

Many of the agriculture related industries are located in the Towns and villages easily accessible to farm operations. These industries are not expected to expand significantly over the next six years.

Economic Development Policies

- C11.P. 1. The County will continue to provide active support for existing Talbot County businesses
- C11.P. 2. Preservation and enhancement of agriculture and forest lands and open space is a key component of the cultural, social, economic and environmental well being of the County.
- C11.P. 3. The County should maintain and enhance current efforts to attract and recruit new businesses that are desirable for the region.
- C11.P. 4. The County should continue to encourage and promote actions by the tourism industry.

Economic Development Implementation Strategies

Action: The County will continue to support the Office of Economic Development in its efforts to retain and/or expand existing businesses within the County and to market the Mid-Shore Region as a premier location for a broad range of innovative businesses which will accentuate and capitalize upon the area's assets while at the same time preserving its rural character. The Office of Economic Development will focus its attention on the attraction of businesses offering better salary opportunities for a greater number of residents

Action: Encourage and promote actions by the tourism industry to promote Talbot County's history, culture, natural environment and scenic beauty. In

developing and promoting tourism in Talbot County, we must be mindful to protect what we promote.

The tourism industry should consider broadening the range of available interpretive and educational programs to enhance understanding and use of the County and its resources by residents and visitors. The County should encourage increased cooperation among public and private organizations that interpret resources and publicize and promote tourism and accomplish these goals via partnerships among local and regional leaders, non-profit organizations, businesses, and State agencies.