

# 2007 ANNUAL REPORT

FREDERICK COUNTY, MARYLAND

INNOVATION | CREATIVITY | OPPORTUNITY



No matter what your perspective, it all points to Frederick County.

## BOARD OF COUNTY COMMISSIONERS 2006-2010

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*President*  
*Economic Development Liaison*

DAVID P. GRAY  
*Vice President*

KAI J. HAGEN  
*Agriculture Business*  
*Council Liaison*

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RONALD A. HART  
*County Manager*

DOUGLAS D. BROWNING  
*Retired County Manager*

## BUSINESS DEVELOPMENT ADVISORY COUNCIL

GEORGE DREDDEN, JR.  
*Retired Chairman*

PATRICK HALEY  
*Acting Chairman*  
*BridgePath Scientific*

DINA BOYD  
*Positive Business Solutions*

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*SAIC, Frederick*

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*Frederick Arts Council*

CAROL EATON, PH.D  
*Frederick Community College*

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*Advanced Product*  
*Enterprises, LLC*

MICHAEL KIDDER  
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THOMAS KLEINHANZL  
*Frederick Memorial*  
*Healthcare System*

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*Graystone Bank*

EARL ROBBINS, JR.  
*Alcoa Eastalco Works*

KATHLEEN SHINO  
*National Institutes*  
*of Health (NIH)*

CHAD TYLER  
*Tyler-Donagan*  
*Real Estate Services*

## OED/BDAC ANNUAL RECEPTION AWARD RECIPIENTS

BENTZ STREET  
PROFESSIONAL CENTER  
*Redevelopment Project*  
*of the Year*

THE PLAMONDON  
COMPANIES  
*Workforce Development*  
*Program of the Year*

AKONNI BIOSYSTEMS  
*Economic Development*  
*Innovator of the Year*

BIOELECTRONICS  
CORPORATION  
*Economic Development*  
*Innovator of the Year*

## OFFICE OF ECONOMIC DEVELOPMENT

LAURIE BOYER, CEcD  
*Executive Director*

MARIE KEEGIN, CEcD  
*Retired Executive Director*

HELEN RIDDLE  
*Deputy Director*

JODIE BOLLINGER  
*Business Development*  
*Specialist*

JUDY BROWN  
*Administrative Specialist*

SHERMAN COLEMAN  
*Business Development*  
*Specialist*

COLBY FERGUSON  
*Business Development*  
*Specialist*

RANDY GRAY  
*Business Development*  
*Specialist*

VIVIAN GROVE  
*Administrative Specialist*

SANDY WAGERMAN  
*Coordinator, OED Research*

## SMALL BUSINESS DEVELOPMENT CENTER

CHRIS OLSON *Frederick County Consultant*

## AGRICULTURE BUSINESS COUNCIL

ROBERT BLACK  
*Catoctin Mountain Orchard*

BECKY BRASHEAR  
*The Great Frederick Fair*

SANDY CORRIDON  
*Maryland Cooperative*  
*Extension, Western Maryland*

CHUCK FRY  
*Rocky Point Farm*

RICHARD GROSSNICKLE  
*Dairy Farmer*

RICK HOOD  
*Summer Creek Farm*

DAVID MILLER  
*Retired, Frederick County*  
*Public Schools*

C. THOMAS SMITH  
*Good Friday Farm*

SAMUEL TRESSLER, III  
*Dairy Farmer*

CAROL WILSON  
*Elk Run Vineyards*



**FREDERICK COUNTY, MARYLAND** is the state's largest county, geographically, and is located within an hour of two major metropolitan areas, Washington D.C. and Baltimore, MD. Frederick County's growing and diversified community is increasingly adopting **innovation**, embracing **creativity** and providing **opportunities** for businesses and the community at large. Frederick benefits from a rich heritage, breathtaking landscape, excellent recreational resources and world-class cultural amenities.

Frederick, which is part of the Bethesda-Gaithersburg-Frederick Metropolitan region, was ranked the second smartest city in America, according to Forbes.com. Frederick offers a climate of academic excellence and provides a knowledgeable and highly skilled and educated workforce.

Frederick County's transportation links continues to foster and support local economic growth. The proximity of three international airports and a local municipal airport, together with two major interstate highways and rail service combine to form an attractive economic infrastructure for regional, national and international businesses based in Frederick County.

## OED AND BDAC

As of June 2007 Laurie M. Boyer, a certified economic developer, was named Executive Director of the Frederick County Office of Economic Development (OED). She is responsible for the management of economic development and workforce services programs, including business retention strategies and the planning, marketing and implementation of initiatives to develop business and agriculture.

Working under the direction of the Frederick County Board of County Commissioners (BOCC) and the Business Development Advisory Council (BDAC), OED's purpose is to initiate new programs, work with existing industry and attract those industries that would create value and wealth for the county.

OED serves as the primary contact for businesses that are interested in expanding or relocating to Frederick County. OED assists businesses with all facets of their projects including: site selection, regulatory streamlining, permitting, financial assistance and workforce issues. OED works with city, county and state governments and other business partners to assist businesses with their location and expansion needs.

*Mission: To support, retain and foster the growth of existing businesses in Frederick County and to attract new businesses that bring career opportunities and enable Frederick County citizens to work where they live.*



*"As a native of Frederick County, my commitment to serve the community has never been stronger. We face some tough challenges but by working together, solutions will be found and the county will grow and prosper."*

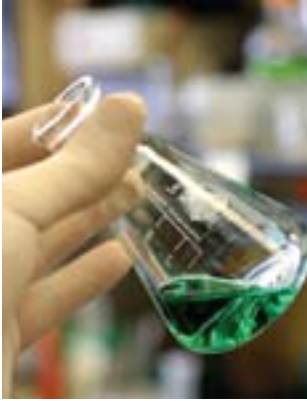
Laurie M. Boyer  
Executive Director  
Frederick County Office of  
Economic Development

**Frederick Municipal Airport (FDK) is the third busiest general aviation in Maryland and is designated as a reliever airport for BWI, Reagan National and Dulles Airport. FDK serves over 350 businesses and is a vital and necessary asset to the community. Aviation related activity in Frederick generates about \$53 million in regional expenditures and ranks 2nd only to BWI in local purchases.**





# 2007 STRATEGIC PRIORITIES



Frederick County has the third largest cluster of biotechnology companies in Maryland. According to the 2007 State New Economy Index, Maryland ranks first among the states in the total number of doctoral scientists and engineers as a percentage of total employment.

In 2007, BDAC in conjunction with OED developed a strategic plan to further improve and enhance the economic development climate in Frederick County.

## 2007 BDAC STRATEGIC PRIORITIES

- Maximize efforts to retain and support our existing businesses, recognizing that small businesses are the backbone of our economy.
- Participate in the development of land-use, infrastructure planning and implementation strategies that balance the enviable quality of life and the economic vitality of Frederick County.
- Help develop future leaders for Frederick County/City to help achieve long-term economic sustainability and quality of life by collaborating with business and civic leaders (i.e. Chamber, etc.) to promote sound, regionally focused public policy.
- Work with Frederick Innovative Technology Center (FITCI), Fort Detrick, NCI and our educational institutions to establish business incubator programs to grow businesses and technology in Frederick County.
- Continue to support and promote Frederick County's workforce and educational system as a critical element of the economic development strategy.
- Continue to attract business and entrepreneurs to Frederick County.
- Support the County's one-stop review and permitting center by providing meaningful customer input for the purpose of continuously streamlining and improving the process.
- Be actively involved with the Fort Detrick Military Alliance to advocate for the Fort and develop opportunities for Frederick County businesses.



## EXISTING BUSINESS SUPPORT AND PROGRAMS

OED works with BDAC, the Agriculture Business Council (ABC) and state, county and municipal leaders and partners to support and enhance our business community. OED has instituted several programs and initiatives to assist our Frederick County businesses. OED visited 445 companies and assisted 503 companies throughout the year.

The spirit of innovation and creativity permeates throughout Frederick County, which cultivates a range of emergent activities from information technology to life sciences/biotechnology to advanced manufacturing. Frederick County supports and fosters the growth of entrepreneurship and provides resources and opportunities to grow and succeed in our global marketplace.

### • BIOSCIENCE INDUSTRY

Frederick County's expanding *bioscience industry* continues to be at the forefront of innovation. Frederick County brings together all the necessary components for the successful commercialization of knowledge into products, services and emerging technologies. There are more than 60 bioscience companies located in Frederick County, representing over 16% of the total bioscience and federal research institutions in Maryland.

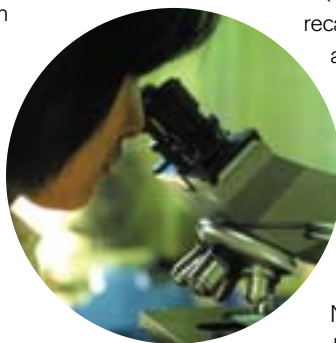
Frederick County's burgeoning bioscience community is experiencing exponential growth due in part to the County's business incubators, which caters to the bioscience and

technology industries and the expansion occurring at Frederick County's largest employer, **Fort Detrick**.

*Fort Detrick* is home to the National Cancer Institute (NCI) and the U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID), which is the lead medical research laboratory for the nation's biological defense program. The new \$1.3 billion National Interagency Biodefense Campus will have three major tenants (under construction) including: the National Institute of Allergies and Infectious Diseases Integrated Research Facility (NIAID) and the National Biodefense and Countermeasures Center (NBACC). The third tenant, USAMRIID, is a recapitalization project. Construction for both NIAID and NBACC are expected to be completed by the end of 2008. Fort Detrick plans to add 1,425 jobs by 2010 and beyond, including 225 employees from the Federal Base Realignment and Closures (BRAC) process.

In 2007, The National Institutes of Health awarded a \$257 million contract to Batelle National to operate and staff 119 scientists and technicians for the high Containment Integrated Research facility in NIAID.

Frederick County's first technology business incubator, the **Frederick Innovative Technology Center, Inc. (FITCI)**, opened in 2005 on the Hood College campus near Fort Detrick. The expansion for another technology incubator was determined and deemed necessary. In 2007, FITCI expanded to their new site, FITCI @ Monocacy, which is located on Metropolitan Court in Frederick. With the addition of this new facility, FITCI has expanded to over 20,000 square feet offering a total of 35 offices and 16 laboratories.



### FITCI STATS (2007)

- Serves 34 Clients (24 Tenant Clients and 10 Virtual Clients)
- 2007 Graduates: Akonni Biosystems, Inc. and BioElectronics Corporation
- Tenants and graduates created 106 new jobs in 3 years
- 87% of the employees hold B.A.'s or greater
- 50% of the employees hold Ph.D.'s
- Average salary per FITCI client employee is more than \$75,000/year
- Tenant companies and graduates secured over \$13 million in outside investment capital and government grants



The United States Army Medical Research and Materiel Command (USAMRMC) opened the **Fort Detrick Business Development Office (FDBDO)** more than three years ago, to assist companies in our region in attaining contracts and subcontracts at Fort Detrick. In 2007, FDBDO met with over 1,600 companies representing a 72% increase from 2006. FDBDO also has collected over 2,400 additional contacts in its database. Due to the FDBDO's success, there has been significant interest in emulating the FDBDO concept at other military facilities throughout the State of Maryland and the U.S.

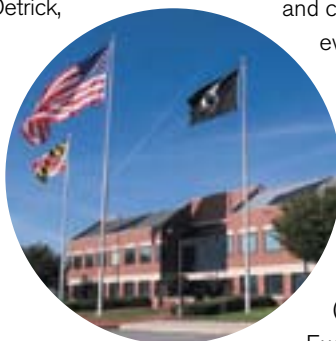
The Maryland Technology Development Corporation (TEDCO), in collaboration with OED and the US Army Medical Research and Materiel Command (USAMRMC) at Fort Detrick, announced in September 2007 an additional award funding allocation to the **Fort Detrick Technology Transfer Initiative (FDTTI)**. The FDTTI grant will provide grants of \$50,000 each to small businesses that are further developing technologies that meet the needs of the US Army, including the commercialization of technologies developed by USAMRMC research laboratories, as well as those created by private sector small businesses and entrepreneurs. Since the program's inception in 2005, a total of 11 companies have secured awards (totaling \$550,000) for research.

OED continues to be actively involved with the **Fort Detrick Alliance** and provides strategic planning assistance to the organization. The mission of the Alliance is three-fold: to advocate for Fort Detrick; to improve communications between the Fort and the community; and to expand opportunities for Frederick County companies to do business with the Fort.

## • ADVANCED TECHNOLOGY

By building and promoting technology driven and research-intensive industries, Frederick County works to create high-tech job opportunities and develop clusters of innovation throughout the County. Frederick County provides our advanced technology companies cutting edge technology infrastructure and an environment where ideas become a reality.

Frederick County's local network of the Technology Council of Maryland (TCM), supports the advanced technology, information technology and bioscience community and coordinates educational and networking events throughout the year. The 5th Annual Frederick County Technology Awards Program was held honoring the following Frederick County companies: SuperArray Bioscience Corporation (*Firm of the Year*); Peter Spatharis, CEO of ACAGI, Inc. (*Executive of the Year*); Justin Hartings, President and CEO of Biaera Technologies (*Edge 40*); and Marie Keegin, former Executive Director of OED was honored with the Council's Technology Public Service award.



*Inc. Magazine* annually publishes the 500 fastest growing private companies in America and in 2007, it expanded the list to the top 5,000 companies in America. According to the report, Maryland had a total of 138 companies represented on the *Inc. 5,000 list* and of that total, Frederick County had four businesses that made the list: Welocalize, Talon Construction, Discount Fabrics USA and Sycamore, US.



Akonni Biosystems Inc. is one of two companies that were honored at OED's Business Reception for Economic Development Innovator of the Year. Akonni recently graduated from FITCI and expanded from 1,600 square feet to their new location of 11,000 square feet in downtown Frederick. Akonni is a molecular diagnostics company that develops, manufactures and markets microarray-based molecular diagnostic systems for infectious and other human diseases.

**Akonni**  
Biosystems



The **Informatics Coalition** is an initiative of the Technology Leadership Consortium (TLC), a volunteer group of leaders of technology organizations throughout Maryland, all of who play essential roles in the evolution of the sciences of Informatics. The Economic Development organizations of Anne Arundel, Howard, Montgomery, Frederick and Prince George's and other counties in the region, as well as the Maryland Department of Business and Economic Development, have committed their support for this initiative along with TEDCO, our major technology councils and numerous industry groups. Frederick County participates in TLC meetings, offering partnering support and occasional financial support for conferences.

### • MANUFACTURING

Frederick County's *manufacturing industry* is an essential element of the County's economy and is recognized as the ideal location to expand and relocate operations. Frederick County has a strong tradition of manufacturing excellence and while manufacturing has become a global industry, Frederick County remains the home to many cutting-edge manufacturing operations. As of second quarter 2007, there were a total of nearly 190 manufacturing establishments employing over 5,500 people and paying more than \$70 million in annual wages. The annual wage per worker was \$50,648 (30% greater than the annual wage per worker in the private sector). Average wage rates for this sector have increased 19% over the past five years.

OED continues to work with the Frederick County Manufacturers Roundtable (FCMR), a membership organization comprised of representatives from local



MedImmune started the first phase of their expansion project, representing a \$250 million, 331,000 square foot manufacturing facility. The remaining phase will add another 169,000 square feet of space.

manufacturing companies who meet to discuss ways to improve the competitiveness of the manufacturing industry in Frederick County.

In May 2007, OED partnered with FCMR to hold their first **Lunch, Learn and Tour series event**. The event was held at Equipment Development Company (EDCO) where attendees learned about Lean Manufacturing Practices and toured EDCO's facility. This event drew a lot of interest from our Frederick County manufacturers. Attendees were given the opportunity to hear about the benefits of going lean and see first-hand the lean manufacturing practices that EDCO implemented within their organization.



## • AGRICULTURE

The agriculture industry is important to preserving Frederick County's unique heritage. As the state's leader in agricultural acres, Frederick County hosts a diverse and extensive *agriculture industry*. OED continues to work with the members of the Agriculture Business Council (ABC) to develop innovative initiatives to support, promote, develop and preserve the agricultural industry in Frederick County.

In 2007, OED and ABC decided to update the County's agriculture strategic plan to improve and enhance the agriculture community for Frederick County. New priorities and goals were set for the following targeted areas: Economic and Business Development; Education and Training; Marketing and Communications; Regulations/ Legislation and Land Use and Infrastructure. The update will be completed in Spring 2008.

Dairy farming is an integral part of Frederick County's agriculture industry, with over \$50 million in dairy products produced every year. In an effort to sustain and grow Frederick County's dairy farming activity, OED has been studying the feasibility of a dairy processing facility capable of producing, packaging, and branding dairy-based products in Frederick County. Upon completion of the study, OED along with partnering county and state agencies started to work on a program to create a Maryland branded milk.

**HomeGrownHere**, Frederick County's branding campaign initiated by OED, continues to provide consumers a way of identifying Frederick County farm products and promoting Frederick County's agriculture community. OED is working with local farmers and members of the ABC to expand and

enhance the HomeGrownHere initiative. The **Frederick County Farm Guide** is the primary brochure used to promote all the OED agriculture programs along with agritourism within the county.

The 6th Annual **Family Festival @ the Farm (FF@F)**, a self-guided tour of 19 Frederick County farms, was held in October 2007. The event attracted approximately 21,500 attendees. Of those attendees, 40% came from outside of Frederick County. Due to the success of the fall event, OED has created a spring FF@F set for June 2008.

The **Virtual Farmers Market (VFM)**, accessible through OED's website, enables citizens to search for and purchase Frederick County farm products on-line. The VFM continues to gain in popularity which can be seen in the number of people who have visited the website since its inception in 2002. Over the past two years, the number of page views to the VFM has increased by 144%, averaging 15,278 views per month. Also of significance, one-quarter of the entire web hits from OED's website are from people logging onto the VFM directly.



In 2007, OED partnered with six Frederick County wineries, the Tourism Council of Frederick County and Maryland Wineries Association to create the **Frederick Wine Trail**. The ultimate goal of the campaign is to bring new customers to the wineries while promoting Frederick County as a winery destination. The Frederick Wine Trail included the creation of a website ([www.FrederickWineTrail.com](http://www.FrederickWineTrail.com)), a wine trail brochure and several events were held to kick-off the wine trail. Due to the success of the trail, several Maryland counties are following suit.

In 2007, Berrywine Plantations/Linganore Winecellars held a ribbon-cutting ceremony for the expansion and renovation of their 19th century peg barn. The barn is now home of their cask aging cellar, a new tasting/sales room and a spectacular banquet facility.





# BUSINESS RETENTION PROGRAMS AND RESOURCES

The retention and expansion of existing businesses is essential to the growth of Frederick County's economy. Existing businesses are responsible for the majority of new capital investment and new jobs created each year.

OED held its seventh annual **Business Appreciation Week (BAW)** in 2007. Sixty-two ambassadors from the State, County and Municipal governments along with the Chamber of Commerce and other partner agencies visited 101 businesses to thank them for their contributions and listen to suggestions to improve the business climate in Frederick County. Of the companies visited, over 25% of them anticipated expanding within a year.

In addition to BAW, OED coordinates **monthly business visits** throughout the year. Outreach to the business community is and remains a priority in Frederick County. OED, BDAC, BOCC and partnering organizations visit area businesses to tour and learn about their operations

OED and BDAC hosted their **Annual Business Reception**, which was held at Martin's in Walkersville. Over 250 Frederick County business representatives, elected officials and community partners attended the event. Four awards were presented honoring Frederick County companies: the Bentz Street Professional Center (*Redevelopment Project of the Year*); the Plamondon Companies (*Workforce Development Program of the Year*); Akonni Biosystems and BioElectronics Corporation (*Economic Development Innovators of the Year*). Both Innovator of the Year recipients were also recognized for being recent graduates of FITCI (Frederick Innovative Technology Center).



2007 OED's Annual Business Reception honorees include Pete Plamondon, Jr. and Jim Plamondon (Plamondon Companies); Chuck Daitch (Akonni Biosystems, Inc.), Dan Martz and Michelle Martz-Bowles (Martz Bowles Group) and Andrew Whelen (BioElectronics Corporation).

OED continues to outreach to the 12 incorporated municipalities in Frederick County and provide support to the towns so that they may continue to foster and enhance their economic viability. In 2007, OED held a "Business Incubators Forum" for **municipalities** in Frederick County. Attendees learned about the advantages and the processes in establishing a business incubator in their community. Various municipalities throughout the County have expressed interest and are pursuing feasibility studies to establish incubators in their towns. OED also distributes a **monthly newsletter** to municipal leaders and OED partners.

OED continues to work closely with the **State of Maryland** to assist companies with low interest loans and grants. In FY 2007, five Frederick County businesses received training



assistance through the state's Partnership for Workforce Quality (PWQ) reimbursement grant program. Companies included: Carter Control Systems, Harley-Davidson of Frederick, Morningstar Foods, Stulz Air Technology Systems and SuperArray Bioscience Corporation. In 2007, the Maryland Department of Business and Economic Development (DBED) provided financial assistance to 143 companies in Maryland, which have created more than \$1 billion in capital investment, the vast majority benefiting small business with fewer than 100 employees.

OED partners with **the real estate community** to provide our existing and prospective businesses the information they need to expand or locate to the County. OED is a member of the Maryland/D.C. Chapter of the National Association of Industrial and Office Properties (NAIOP) and in 2007, OED participated in the **NAIOP Virtual Bus Tour and Tradeshow**. The Virtual Bus toured Frederick, Montgomery and Prince George's Counties and stopped to examine the market and select projects and developments in each county. Approximately 300 high-level developers, owners and related professionals attended.

OED is also a member of CoreNet Global, the world's premier association for corporate real estate and related professionals and the Commercial Real Estate for Women (CREW) organization and has spoken at numerous meetings and attended several events throughout the year.

In 2007, the Board of County Commissioners initiated the **Emergency Preparedness Business Initiative** to better prepare the business community to respond to all types of

emergencies. Participants include local government agencies, as well as OED, and representatives from the business community. The purpose of this ongoing initiative is to raise awareness for the need to devise a plan to deal with all types of emergencies and to ensure a quick recovery. An **Emergency Preparedness Business Summit** was held October 24, 2007 at Frederick Community College. The summit provided a quality educational forum to prompt local businesses to better prepare for emergencies and to assist the community in recovery efforts.

In 2007, OED, in partnership with Frederick County Workforce Services, Frederick County Chamber of Commerce and City of Frederick Department of Economic Development, took the leading role in the promotion of **Frederick County's Family Friendly Businesses**. The program is now in its 6th year and recognizes those businesses in the county that best meet the 10 Family Friendly criteria. In 2007, award recipients included: Chase Card Services, Frederick Air, Inc., Hood College, Interfaith housing Alliance, Inc, Mama Lucia of Frederick, St. John Properties, Suntrust Bank, Sylvan Learning Center, The Frederick News Post/Randall Family, LLC and Wells Fargo Home Mortgage.

OED works with partnering agencies to assist Frederick County's **international** companies and those companies looking to do business overseas. OED is a Premier Partner of the World Trade Center Institute (WTCI) in Baltimore, Maryland and continues to attend several events and networking functions throughout the year. The WTCI serves more than 2,500 Maryland firms and was established to educate and connect local businesses to a global network of international companies.



# ENTREPRENEURIAL BUSINESS SUPPORT AND PROGRAMS

The **Small Business Development Center (SBDC)** provides free counseling and training services to existing small businesses and start-up companies in Frederick County. The SBDC counselor works with small businesses in all stages of development as well as all types of industries. In FY 2007, SBDC counseled 325 clients in-house and handled more than 800 requests for information and assisted in the start-up of more than 30 businesses.

SBDC offers a variety of free workshops to small businesses, including “How to Start Your Own Business” and “Hiring Your First Employee.” The SBDC counselor works with small businesses to obtain grants through the Strategic Assistance Consulting Fund (SACF) to be used for professional services and for FY 2007, SBDC was responsible for obtaining 11 SACF grants for small businesses, valued at over \$55,000. This represented 20% of all SACF grants awarded, statewide. In the first five months of FY 2008, SBDC assisted in the start-up of approximately 15 companies, the creation of 45 jobs, and the creation of more than \$1.5 million in new capital.

The **Frederick County Small Business Loan Fund (FCSBLF)**, designed to assist small and start-up businesses, continues to be a tool for businesses seeking financial assistance. Since the program’s inception, the Loan Review Committee has received 19 loan applications and approved nine loans. LifeTime Events, Inc. was the latest to be approved for a loan.

OED continues to lead efforts to support local entrepreneurs by facilitating collaboration among the many business support resources in the County. OED was instrumental in the creation of the **Frederick Entrepreneur Support Network**, which includes members from local economic development entities and main street organizations, Chambers of Commerce, the FITCI incubator system, local colleges and universities, Frederick County Public Libraries, FDBDO, SBDC and other agencies and non-profits. A brochure and webpage were created, [www.EnjoyFrederick.com/ESN](http://www.EnjoyFrederick.com/ESN), where users can access available resources. The average number of monthly visits to the website increased 366% from its debut in November 2006.



In 2007, “Entrepreneur Magazine” published its 12th annual most dynamic cities for entrepreneurs. The Washington-Baltimore metro region was ranked 7th nationally among “Hot Cities for Entrepreneurship” based on entrepreneurial activity that included small business and job growth. Entrepreneurs benefit from the booming redevelopment efforts in the region and high growth in government related contracting.







Frederick County's commercial real estate market including office, flex and industrial properties, reported increased construction activity and increased rental rates while keeping a steady vacancy rate. Overall, Frederick County's commercial real estate market contained 19.5 million square feet. A further breakdown of the commercial real estate market will give insight and depth to the positive year Frederick County experienced in 2007.

## • OFFICE

Frederick County's office market ended 4th Quarter 2007 with a vacancy rate of 11.3% with an inventory of 267 buildings totaling nearly 6.4 million square feet. Over 1.2 million square feet has been added to the office market since 2003. In 2007, a total of six buildings were delivered, totaling 446,000 square feet. Average rental rate for year-end was \$24.18/full service and has risen 11% over the past five years.

## • FLEX/INDUSTRIAL

The flex/industrial product dominates Frederick County's market and for 4th Quarter 2007, there were a total of 275 buildings totaling over 13 million square feet with a vacancy rate of 13.9%. Over two million square feet has been added to the industrial market since 2003. In 2007, a total of 10 buildings were delivered totaling 552,000 square feet. The average rental rate for year-end 2007 was \$9.26/nnn, up from \$7.36/nnn five years ago.

## • 2007 TENANT ACTIVITY

In 2007, the tenant activity for the office, flex and industrial market, including new move-ins, was approximately 1.3 million square feet. This represents a 48% increase compared to 2006. Three-quarters of the 2007 tenants opted to lease their space.

One of the largest tenants moving into space in the Washington D.C. market was Frederick County's own Wells Fargo Home Mortgage, which moved into 297,999 square feet at the Phase I - Riverside Corporate Park. Two other large office move-in tenants for 2007 included: JP Morgan Chase (93,594 sf) and Bechtel Power Corporation (52,390 sf) both occupying space at Westview Corporate Campus.

The three largest Flex and Industrial move-in tenants for 2007 included: Airpax Corporation (60,200sf) at Highland Center, Frederick Brick Works (56,000sf) on Monocacy Boulevard and Construction Trades Institute of Frederick Community College (52,000sf) at the Monroe Center.



## **BENTZ STREET PROFESSIONAL CENTER REDEVELOPMENT PROJECT**

The former Frederick Automotive warehouse built in 1950 at 605 North Bentz Street in downtown Frederick sat vacant for years and in 2007 was transformed to the 20,000 square foot Bentz Street Professional Center. This project was honored at OED's Annual Business Reception for Redevelopment Project of the Year.

• REGIONAL COMPARISON – 2007

In Frederick County, business is encouraged and growth is carefully planned to support an exceptional quality of life for residents and businesses. Frederick County is Maryland's largest county in size comprised of 663 square miles. The County works diligently to preserve its natural beauty while meeting the demands of the business community. Frederick County represents about 9% of the regions total commercial market and remains very competitive with both office and non-office rental rates. Due to the demand for high quality commercial space in Frederick County, developers in the region construct new buildings and renovate existing buildings for companies looking to locate to and expand in Frederick County.

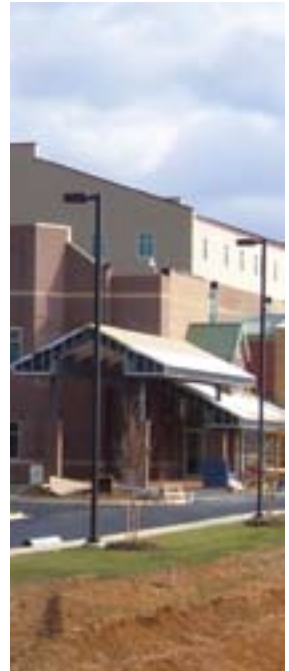
COUNTY	TOTAL RBA	VACANCY RATE	2007 SF DELIVERED	OFFICE RENTAL RATE	NON-OFFICE RENTAL RATE
Montgomery (MD)	91.1m	9.50%	1,148,818	\$29.36/fs	\$14.17/nnn
Prince George (MD)	79.3m	11.60%	853,474	\$22.75/fs	\$7.21/nnn
Loudon (VA)	32.5m	15.10%	2,162,233	\$25.98/fs	\$10.69/nnn
Frederick (MD)	19.5m	13.10%	997,491	\$24.18/fs	\$9.26/nnn

(Source: Costar Group January 31, 2008)

• SELECTED NEW AND EXPANDING COMPANIES – 2007

OED responded to over 3,500 inquiries, worked with nearly 450 new and unique prospects and assisted 67 unique companies that decided to expand or locate to Frederick County. Besides providing a supportive and business friendly environment, Frederick offers a strategic business location, a competitive cost advantage, a highly educated and skilled labor force, an award winning educational system, a strong and creative entrepreneurial climate and local resources to foster the growth of businesses.

ALDI	Frederick Memorial Hospital	Two Frogs Healing Center
Advanced Business Systems	Kaiser Permanente	Village Works
Adventure Park	Kaplan College	Communications
Berrywine Plantations/ Linganore Winecellars	MedImmune	Wachovia Bank
Costco Warehouse Distribution Center	Pulse Publishing	Washington Laboratories
Covered Bridge Vineyards	SuperArray Bioscience	Wells Fargo
Digital Age Solutions	TAMKO Roofing	Home Mortgage
	The Common Market	Windridge Farm



Frederick News Post consolidated and constructed a new \$44 million, 160,000 square foot building located on Ballenger Center Drive.



# BRIEF ECONOMIC DEVELOPMENT FACTS – 2007



The Frederick Keys were the 2007 Carolina League Champions. The Frederick Keys are the Advanced Class A Carolina League affiliate of the Baltimore Orioles. Each year an average of over 300,000 fans attend games at Harry Grove Stadium.

- Frederick County's five-year average **annual employment** growth rate is nearly 3% or an average of 2,522 new jobs per year.
- In the private sector, the **industries** that saw the most growth in employment from second quarter 2003 to 2007 were: Professional and Business Services (31%), Leisure and Hospitality (17%) and the Education and Health Services (17%) sectors.
- The average weekly **wage rate** per worker was \$779, up 15% from second quarter 2003. The Construction industry saw the highest increase in average weekly wages followed by Leisure and Hospitality from second quarter 2003 to 2007.
- Frederick County's civilian **labor force** increased 7% (8,176) from 2003 to 2007. The civilian labor force in 2007 was 124,732.
- The 2007 annual average **unemployment rate** for Frederick County was 3.1%, which is significantly lower than the state of Maryland's rate of 3.8% and the U.S. rate of 4.6%. Frederick County's unemployment rate has been decreasing at a steady rate over the past five years from 3.5% in 2003 to 3.1% in 2007.
- Frederick County's **population** increased 8% or 17,702 people from 2003 to 2007. The population is expected to increase from 231,118 in 2007 to 326,224 people in 2030, an increase of 41%.
- In 2007, the number of **commercial and industrial permits** increased 24% compared to 2003. The five-year average for commercial and industrial permits was 700.
- The total **value of the commercial and industrial construction** increased 311% (2003-2007) to a record high of \$573 million. The five-year average for total value was over \$276 million.
- Frederick County's estimated 2006 **median household income** was \$80,650. This represents a 34% increase from the 1999 census information. Frederick County's median household income is 21% greater than the State of Maryland's and is the fourth highest compared to all Maryland counties.
- **Local personal income tax** from the net new jobs for Frederick County residents increased by 32% over the last five years. Each new job generated approximately \$1,191 annually in local personal income tax revenue.





# OED MARKETING AND PUBLIC RELATIONS

OED coordinated and participated in numerous special events and projects throughout the year, wrote multiple press releases highlighting our business community, spoke at various county and regional events, created marketing pieces, placed targeted industry ads in local and regional publications and continued to enhance and market the OED website.


OED developed a strategic marketing plan, which included specific strategies to foster existing business growth and attract diverse industries to Frederick County. A new ad campaign "Innovation, Creativity, Opportunity," was created highlighting the targeted industries of bioscience, advanced technology, agriculture and manufacturing.

*The Economic Perspective*, created in 2007, is a new quarterly newsletter that OED distributes electronically. The newsletter highlights local economic facts and trends to keep the business community and public up-to-date on the latest news in Frederick County.

OED received international recognition and received an award for their *2006 Annual Report* from the International Economic Development Council (IEDC). IEDC is the world's largest membership organization serving the Economic Development profession. There are more than 4,500 members across the U.S., as well as Canada, Europe, Australia, New Zealand and other nations.

The Maryland Economic Development Association, (MEDA) presented OED an Economic Development Marketing Award for the creation of the *Frederick County Farm Guide*. With a membership of 460 professionals, MEDA promotes the economic well being of Maryland by working to improve the State's business climate and the professionalism of people working in economic development.

**Frederick County was represented by OED at a variety of industry tradeshows, including: BIO 2007 International tradeshow, the National Association of Industrial and Office Properties (NAIOP) Virtual Bus Tour and Tradeshow Expo, the Mid-Atlantic Bio Conference and Tradeshow, SMARTProcurement Conference, the Rural Maryland Summit, the Maryland Public Purchasing Association Reverse Tradeshow and the International Economic Development Council Annual Conference.**



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Call 301-600-1058 or visit  
[www.discoverfrederickmd.com](http://www.discoverfrederickmd.com)

No matter what your perspective, it all points to Frederick County, MD

OED's website, [www.discoverfrederickmd.com](http://www.discoverfrederickmd.com), continues to receive record-breaking hits from businesses, site consultants and others looking to discover Frederick. For 2007, the website averaged 334,877 hits a month which represents a 98% increase compared to 2003.





**No matter what your perspective, it all points to Frederick County.**

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