



## CHAPTER 3: ECONOMIC MARKET ANALYSIS

### Background

In addition to examining multimodal transportation improvements to the Vietnam Veterans Memorial Bridge and adjacent corridor, the Hanover Street Corridor Study Team has conducted an economic market analysis to examine economic, demographic, and other market conditions relevant to development potential in the areas around the bridge.

This economic market analysis is not a traditional land-use-based market analysis, where existing conditions and projected growth are used to provide an estimated demand in square feet for land use types. Instead, this component is a strategic analysis of needed interventions that will inform the transportation components of the study. The study team views the Hanover Street Corridor project, and any associated interventions, as transformative—and therefore, only addressing existing conditions and market demand would not lead the area toward this goal.

The economic analysis consists of several key components:

**Existing Market Dynamics**—Evaluating where the Hanover Street Corridor and the defined economic market study area is today in terms of income, employment patterns, real estate market conditions, and economic factors. This analysis starts with a review of previous plans and studies and a synthesis of their goals and strategies, to inform and provide a foundation for the current effort. It also includes an evaluation of current and projected demographic and economic existing conditions to show the baseline condition, highlight potential barriers, and inform future strategies.

**Strategic Analysis**—Taking the information uncovered in the existing market dynamics analysis and providing a framework for change by identifying opportunity sites, identifying market barriers, and suggesting possible strategies for barrier removal. Opportunity sites are key development points within the Corridor/area and catalytic properties, as determined through interviews, previous studies, and analysis. The process of identifying market barriers involves assessing potential issues or dynamics that are hindering the area from generating new employment or from reaching its full economic potential and goals, as identified in previous planning efforts. This task takes the quantitative analysis and evaluation of previous recommendations and adds qualitative and anecdotal information from interviews with the business community and economic development professionals to assess the key issues. And finally, for the barriers identified, the study includes recommendations for potential actions and solutions.





## Economic Study Area

Recognizing that improvements to the Vietnam Veterans Memorial Bridge and corridor will have impacts extending beyond the corridor itself, the economic market study includes a review of economics, demographics, and other relevant market data for a Study Area comprised of 11 neighborhoods: Locust Point Industrial Area, Locust Point, Riverside, South Baltimore, Port Covington, Spring Garden Industrial Area, Carroll-Camden Industrial Area, Westport, Cherry Hill, Fairfield Area, and Brooklyn. The Economic Study Area and its neighborhoods can be seen in **Figure 3-1**.

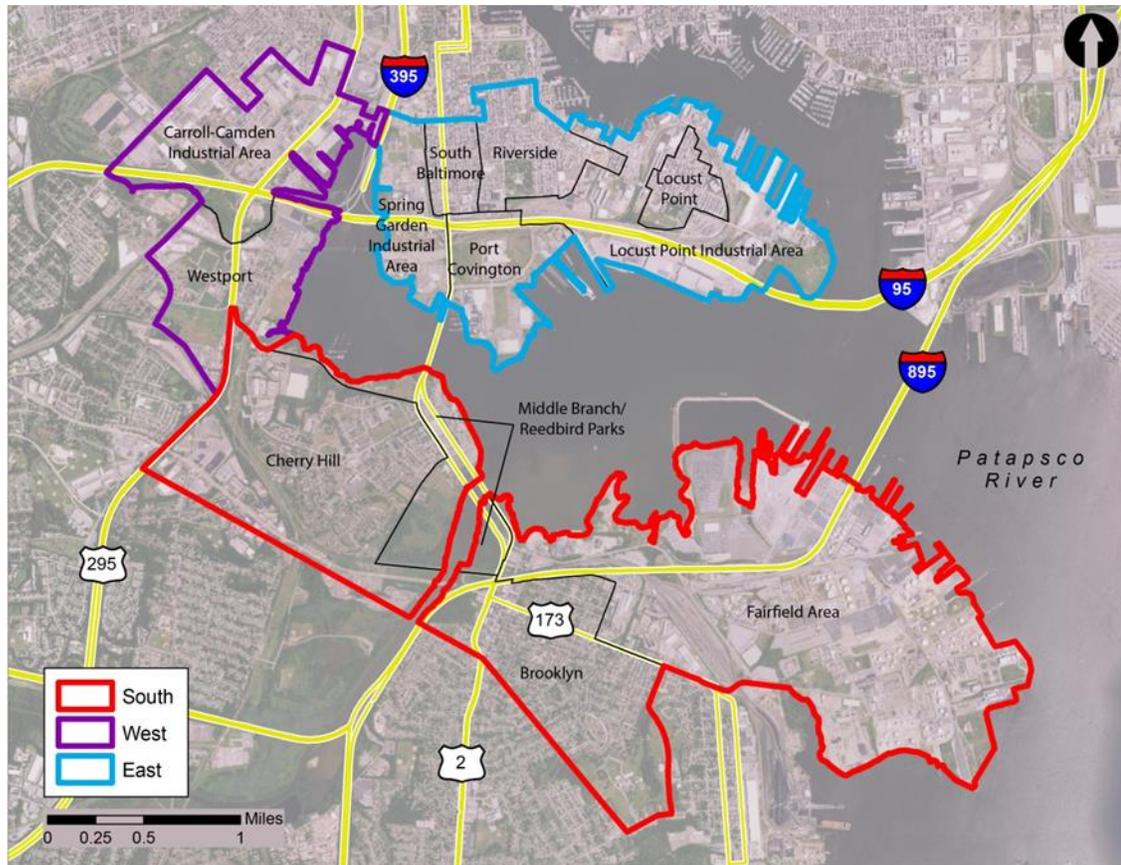
**Figure 3-1: Neighborhoods in the Economic Study Area**



This Study Area covers 7.9 square miles and contains a diversity of neighborhoods with contrasting economic and demographic conditions. In order to understand how the Study Area varies internally, the 11 neighborhoods have been broken up by geography based on their relation to Middle Branch into three regions: east, west, and south. These regions and the neighborhoods contained within them can be seen in **Figure 3-2**.



Figure 3-2: Economic Study Area Analysis Regions



Source: City of Baltimore; ESRI; AECOM, 2016

### Previous Planning Efforts and Studies

The Study Area has been in the focus of several previous planning efforts and studies. The 2015 South Baltimore Gateway Master Plan, Middle Branch Master Plan, Middle Branch Transportation Plan, Cherry Hill Community Master Plan, and the 2007 – 2012 City of Baltimore Comprehensive Master Plan are all previous plans that outline specific plans or visions for the current Study Area. Additionally, analysts reviewed the City's Comprehensive Economic Development Strategy and the Port of Baltimore's Economic Impact Study for relevant data and findings.

### 2015 South Baltimore Gateway Master Plan

The 2015 South Baltimore Gateway Master Plan includes 14 neighborhoods in its planning jurisdiction. Of these 14 neighborhoods, five fall within the project's Economic Study Area: Carroll-Camden Industrial Area, Cherry Hill, Riverside, South Baltimore, and Westport. The vision of this Plan is:

“A thriving South Baltimore Gateway area benefits from investments that foster growth and strengthen its neighborhoods' distinctive identities, while ensuring they are clean, safe and economically viable. The area has state-of-the-art schools, effective public services and



attractive amenities. Residents are healthy, happy and have access to opportunities for high-quality education and meaningful work at family-supporting wages.”

The Plan includes the following initiatives: expanded trail networks, waterfront park system, clean water in Middle Branch, formation of a Community Benefits District, expanded arts, cultural and historical institutions and programs, local business support networks, redevelopment, redevelopment incentive programs, transit-oriented development, an upgraded Carroll Park, transit improvements, complete streets, increased police and fire services, fiber optic networks, and improved school readiness.

The transit-oriented development (TOD) initiative aims to bring residential, retail, and employment facilities near light rail stations in Cherry Hill and Westport. The complete streets initiative is intended to more effectively use existing right-of-way to accommodate all types of users including pedestrians and cyclists. The TOD and complete streets initiatives have the potential to create multimodal corridors throughout Cherry Hill and Westport. The fiber optics network initiative will provide low to no cost internet access to the entire plan’s jurisdictional boundaries. Free or low-cost internet would incentivize more modern businesses to relocate to these areas, which would increase local employment opportunities. The Plan has a total of nine goals aimed towards strengthening the South Baltimore Gateway area; several of these make specific recommendations for improving transportation connectivity and community and economic growth.

The Plan’s first goal is: “Transportation Connectivity: Increase and improve transportation connections, access, safety and mobility.” To achieve this goal, the Plan recommends the following: implement a complete streets plan for each neighborhood, pedestrian improvements, biking improvements, expand the Middle Branch trail system, enhance waterfront promenade, a pedestrian bridge across rail tracks at certain points for accessibility, develop a strategy to improve multimodal connectivity for Westport and Cherry Hill, traffic calming strategies, improve transportation safety, road improvements to the Vietnam Veterans Memorial Bridge, study local bus shuttle service feasibility, expand water taxi service, sense of place improvements, improve traffic operations and signage, parking improvements, and road improvements for truck routes. The Plan also recommends studying and implementing “quiet zones” related to rail noise. Designated quiet zones allow trains to approach at-grade crossings without utilizing their horns through mitigated traffic control measures that reduce risk.

The Plan’s fourth goal is: “Community Development and Revitalization: Improve the quality of neighborhoods to increase the marketability of properties to promote investment.” To achieve this goal, the Plan recommends the following: creation of a Community Benefits District, creation of a program to provide subsidies for rehabilitation of vacant homes, creation of a rehabilitation program for middle-income homeowners, expansion of accessibility retrofit programs, creation of programs for developer financing, stabilization of vacant houses, market analysis of potential development parcels, corridor improvement studies, evaluation of feasibility of public housing improvements, development of design guidelines for redevelopment sites, consolidation of industrial areas, incentives for the reuse of vacant industrial buildings, and examination of all City-owned properties.

The Plan’s fifth goal is: “Economic Growth: Improve and expand economic well-being throughout the area with support for businesses, workforce development and job creation.” To achieve this goal, the





Plan recommends evaluating the success of the Employment Connection Center; expanding services to public housing residents; expanding youth jobs programs; examining feasibility of creating a green jobs training center; advocating for improved public transit service linking workers to jobs; creating a marketing plan for the Carroll-Camden Industrial Area; supporting small businesses; coordinating existing programs; supporting entrepreneurs and connecting them to business incubators or work-sharing spaces; supporting worker-owned businesses; matching anchor institutions to local small businesses; and studying land uses to identify sites for business expansions.

### Middle Branch Master Plan

The Middle Branch Master Plan is an appendix within the 2007 City of Baltimore Comprehensive Master Plan. The goal of the Middle Branch Master Plan is to create a sustainable community around the Middle Branch estuary. The Plan's official vision is to: "Redevelop and revitalize the Middle Branch estuary and waterfront as a mixed-use community through economic and community redevelopment, ecosystem restoration and protection, and recreation and education programs coordinated within a sustainable framework."

The Plan itself is an overlay plan and is not meant to replace the plans of local neighborhoods within the Middle Branch Master Plan's jurisdiction. The Plan's geographic boundaries include the following neighborhoods: Riverside, South Baltimore, Westport, Cherry Hill, and Brooklyn. All of these neighborhoods are also included in the Hanover Street Corridor Economic Study Area. The Plan's guiding principles are as follows: reducing poverty, reducing crime, preventing displacement, supporting affordable housing, increasing employment, developing at a human scale, providing quality transportation systems, improving educational attainment, providing open space and recreation spaces along waterfront, and protecting existing communities' characters.

The Middle Branch Master Plan recommended several different initiatives and studies to improve the quality of life and overall existing conditions of the neighborhood. Among the various recommendations are a shuttle bus system that takes local residents to Cherry Hill, Westport, Brooklyn, Hamburg Street, and Patapsco light rail stations, new developments to provide employment opportunities for local residents, promotion of local retail and shopping, and several workforce development initiatives. All of the recommendations provided by the Middle Branch Master Plan aim to reduce poverty and crime, support affordable housing, improve transportation, improve educational attainment, and increase employment opportunities in Cherry Hill.

### Middle Branch Transportation Plan

The goal of the Middle Branch Transportation Plan is to improve the Middle Branch area's transportation system. It seeks to increase accessibility to the waterfront and improve resident mobility. As discussed later in this report, many households in the south region of the Study Area have no vehicles available. Current transportation systems are known to be unreliable, and connectivity between places of employment and residential neighborhoods is poor. This Plan seeks to promote alternative modes of transportation including, but not limited to, walking, cycling, water taxi and other water transportation means, and public transportation. The Plan also aims to improve and expand circulation within each neighborhood while also improving connectivity between Middle Branch neighborhoods.





This Plan envisions transit-oriented development (TOD) in the Middle Branch area. It hopes to use TOD to connect the neighborhoods of the area to each other, to retail, to residential, and to transit facilities. The Plan also calls for repaving of roads to make them safer for cyclists and pedestrians. According to the plan, 48.6 percent of all roads in Cherry Hill and Westport and 35.2 percent of all roads in Federal Hill and Locust Point have poor surface conditions that are not conducive to biking. This Plan also observed crash data, road level of service (LOS), and transportation and road impacts of future developments. The Plan calls for bike and pedestrian facility improvements, transit improvements, and exploration of the possibility of streetcar.

### Cherry Hill Community Master Plan

The Cherry Hill Community Master Plan is a comprehensive plan for the neighborhood of Cherry Hill. It was adopted by the Baltimore City Planning Commission in July of 2008. The Plan is strongly connected to the Middle Branch Master Plan.

The Cherry Hill Community Master Plan has recommendations for economic development, physical development, transportation, historic preservation, housing, health, public safety, education, youth, and civic engagement. The Plan recommends feasibility studies for providing healthy foods in existing stores, reduction in loitering, improved accessibility for jobs, and keeping money in the local economy as part of its economic development initiative. The physical development component recommends upgrading infrastructure, a beautification program, and studying non-residential zoned parcels. The Plan hopes to universally improve transportation in Cherry Hill. As part of the housing component, the Plan recommends the creation of affordable homeownership and increased rental opportunities and upgrading existing housing. The Plan also hopes to improve public health through education programs, health and fitness promotion, preventative health programs, and programs targeting youth violence. To improve public safety, the Plan recommends increasing the presence of Block Watchers and Citizens on Patrol, reassessing speed limits throughout the community, increasing lighting throughout the neighborhood, establishing of a neighborhood Community Justice Center, and creating an emergency response plan.

### 2007 – 2012 City of Baltimore Comprehensive Master Plan

The City of Baltimore Comprehensive Master Plan was adopted in June of 2006 and revised in July of 2009. The plan is guided by the principles of “Live,” “Earn,” “Play,” and “Learn.” “Live” seeks to guide Baltimore in utilizing its existing capacity to hold its growing population comfortably. “Earn” aims to meet the labor demand of the City’s residents and local businesses. “Earn” targets employment in bioscience, business services, construction, CIDS (computer, internet and data and software-related services), health care and social assistance, hospitality and tourism, and port and port-related services. “Play” seeks to guide Baltimore in capitalizing on its existing entertainment and retail amenities as well as its natural resources. “Learn” aims to transform schools and libraries into community resources.

The plan states eight visions:

- “Development shall be concentrated in suitable areas”
- “Sensitive areas shall be protected”





- “In rural areas, growth shall be directed to existing population centers and resource areas shall be protected”
- “Stewardship of the Chesapeake Bay and the land shall be a universal ethic”
- “Conservation of resources, including a reduction in resource consumption, shall be practiced”
- “Economic growth shall be encouraged and regulatory mechanisms shall be streamlined”
- “Adequate public facilities and infrastructure under the control of the County or Municipal Corporation are available or planned in areas where growth is to occur”
- “Funding mechanisms shall be addressed to achieve this policy”

The goals set to achieve the “Live” principle aim to improve Baltimore’s neighborhoods overall by improving design, transportation, accessibility, and social capital. Some specific strategies are inclusionary housing, updating zoning codes, rehabilitation loans for low income families, creating a pedestrian-friendly city all over, and multimodal transit hubs for areas with low vehicle ownership. These initiatives have the potential to improve the overall conditions of the south region of the Hanover Street Corridor Study Area.

The goals set to achieve the “Earn” principle aim to diversify, strengthen, and improve Baltimore’s labor force and employment supply. One of the specific initiatives set to achieve these goals is the creation of TOD zoning and incentive programs for transit nodes throughout Baltimore. This initiative would help the Hanover Street Corridor Study Area overall by creating employment centers near transit nodes and improving mobility and accessibility to places of employment for residents.

The goals set to achieve the “Play” principle aim to improve quality of life by improving and enhancing existing amenities of all types. Some of the specific initiatives recommended to achieve these goals are enhancing under-utilized historic structures, designating Main Street areas as local historic districts, a bicycle master plan, and completion of the Harbor Promenade and Middle Branch park/trail systems. By designating Main Street areas as local historic districts, the opportunity for increased traffic and funding arises, which would help transform neighborhoods throughout the Hanover Street Corridor Study Area.

The goals set for the “Learn” principle aim to improve educational attainment and accessibility to learning facilities and environments by utilizing existing educational infrastructure. Among the various initiatives and strategies set out to achieve these goals are improving accessibility to job training centers, a “Safe Routes to School” program, reduced transit fare for students, and accessibility to libraries for everyone.

#### Other Plans/Documents

The following other relevant documents were reviewed that do not make area-specific recommendations, including:

#### *Comprehensive Economic Development Strategy (CEDS)*

“Seizing the Momentum, Building a Brighter Future: Jobs. Investment. Growth,” a Comprehensive Economic Development Strategy for Baltimore, Baltimore Development Corporation, 2014.





Some points from this study:

- The Port of Baltimore is one of two ports on the East Coast that is equipped to handle Panamax container ships, larger vessels that will be traveling through the new Panama Canal system. The Port of Baltimore ranks 11<sup>th</sup> in short tons and 9<sup>th</sup> in total value for US ports.
- The strategy focuses on six industry clusters: finance and professional services; health and bioscience technology; arts, culture and tourism; information and creative services; logistics; and advanced manufacturing.

Of particular relevance to the Hanover Street Corridor Study are the following strategic recommendations:

- Business Retention and Attraction (Recommendation #1)—The presence and retention of a major Baltimore employer, Under Armour, will be a shaping force in the study area. Additional retention and attraction of businesses is a key focus for the study area.
- Improve Baltimore’s Resources for Small Business and Entrepreneurs (Recommendation #2)— Within this recommendation, the report mentions affordable loan programs for existing and new small businesses. It also mentions development of groceries and retail outlets, and the identification of retail opportunity sites. It mentions “food deserts” and also the identification of Main Streets and other commercial corridors for expansion.
- Foster Economic Inclusion (Recommendation #3)—In addition to encouraging Minority and Women-Owned Businesses, this recommendation also includes “promoting existing incentives to companies locating, hiring, or expanding” in underserved areas and promoting and expanding “programs that provide workforce training in partnership with employers and the Mayor’s Office of Employment Development,” particularly in growing sectors.
- Focus Economic Development Efforts on Six Key Industry Clusters (Recommendation #6). This recommendation includes identifying sites near the port to support development, assembly and distribution facilities. It also states that “the city must continue to study and improve Baltimore’s transit system and its walkability as a quality-of-life improvement that will promote business retention and attraction in all of the six targeted sectors.” The sectors that speak most to the strengths in the study area are Logistics and Advanced Manufacturing.
- Use Investments and Real Estate Development to Support Economic Development Goals (Recommendation #7)—this recommendation mentions investing in fostering small, minority- and women-owned and disadvantaged businesses and also discusses various incentives and credits that will be reviewed for their effectiveness. It also mentions developing a marketing plan for retail.

#### *Port Economic Impact Study*

“The 2014 Economic Impact of the Port of Baltimore,” prepared for the Maryland Port Administration by Martin Associates.





This report highlights the revenues, compensation, and jobs supported by the Port. Many of the public and private marine terminals it mentions are within the study area, including the public marine terminals at South Locust Point, North Locust Point, and the Masonville/Fairfield Terminal area. The public marine terminals (including those outside of the study area) employ 8,253 people. Private terminals provide another 5,187 jobs. It also examines the cruise industry (206 direct jobs)—the terminal for which is in the study area. The study estimates that just fewer than 30 percent of jobs are occupied by Baltimore City residents.

### Summary of Goals and Recommendations

Table **3-1** categorizes the major recommendations that are relevant to the Hanover Street Corridor Study by theme and by economic orientation. The major themes considered are:

- **Transportation/Connectivity:** this includes all recommendations associated with transit, multimodal transportation, transportation improvements, etc.
- **Quality of Life:** this includes all recommendations associated with open space, recreation, poverty, housing, crime/safety
- **Employment/Business Development:** this includes all recommendations for business development, workforce development, etc.

There is a natural interrelatedness to all of these themes. The recommendations were classified by whether they primarily address the business community, the resident community, or both. These will be considered as the study moves forward, both from an economic development perspective and how they in turn affect physical improvement recommendations.



**Table 3-1: Summary of Previous Plans’ Goals and Principles by Economic Orientation and Type**

Element Type	Plan Goals/Principles by Economic Orientation		
	Business/Employer	Business + Social	Social/Community
<b>South Baltimore Gateway Master Plan</b>			
Transportation/Connectivity	<ul style="list-style-type: none"> <li>• Transit Oriented Development</li> <li>• Evaluate possible roadway improvements for truck routes</li> </ul>	<ul style="list-style-type: none"> <li>• Improve roadway connections to improve safety and create redevelopment opportunities</li> <li>• Make key roadway improvements (Including the Vietnam Veterans Memorial Bridge)</li> <li>• Improve traffic/parking operations</li> <li>• Improve maintenance of roads and utilities</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance transit infrastructure to improve access/mobility— lighting/safety, local shuttle bus service, water taxi</li> <li>• Improve pedestrian and bicycling network</li> <li>• Improved transit service to connect workers to jobs</li> </ul>
Quality of Life		<ul style="list-style-type: none"> <li>• Improve public safety— upgraded lighting/cameras; expand Crime Prevention through Environmental Design (CPTED)</li> <li>• A management entity to focus on neighborhood improvements</li> <li>• Preserve, enhance and share information about historic resources</li> </ul>	<ul style="list-style-type: none"> <li>• “Quiet zones”</li> <li>• Improving and expanding recreational programs and improving access to parks/open space</li> <li>• Arts &amp; Cultural Venues</li> </ul>
Employment/Business Development	<ul style="list-style-type: none"> <li>• Local Business Support Networks</li> <li>• Create/expand incentives to promote redevelopment</li> <li>• Redevelopment strategies/studies for corridors, parcels</li> <li>• Support land use and development policies that stimulate job growth.</li> </ul>	<ul style="list-style-type: none"> <li>• Expand digital technology</li> </ul>	<ul style="list-style-type: none"> <li>• Live Near Your Work program</li> <li>• Job training and other assistance to local residents (including Green Jobs Training, Youth Jobs Program)</li> <li>• Study feasibility of public housing improvements</li> <li>• Digital access to broadband</li> <li>• Expand adult education opportunities</li> </ul>





Plan Goals/Principles by Economic Orientation			
Element Type	Business/Employer	Business + Social	Social/Community
<b>Middle Branch Master Plan</b>			
Transportation/ Connectivity		<ul style="list-style-type: none"> <li>• Encourage walking/bicycling/water transportation and public transportation</li> <li>• Provide for a well-balanced, well-designed transportation system</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance circulation within neighborhoods</li> </ul>
Quality of Life	<ul style="list-style-type: none"> <li>• Maximize heritage tourism</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure preservation of historic resources</li> <li>• Lower Crime</li> </ul>	<ul style="list-style-type: none"> <li>• Improve water quality and marine habitat</li> <li>• Ensure public waterfront access/recreational opportunities/open space system</li> <li>• Lower Poverty</li> <li>• Prevent Displacement</li> <li>• Support Affordable Housing</li> </ul>
Employment/ Business Development	<ul style="list-style-type: none"> <li>• Promote new developments and renewal of existing communities</li> </ul>		<ul style="list-style-type: none"> <li>• Create job opportunities and job training programs for existing residents</li> <li>• Improve educational attainment</li> </ul>
<b>Middle Branch Transportation Plan</b>			
Transportation/ Connectivity		<ul style="list-style-type: none"> <li>• Improve regional access</li> <li>• Study and add targeted capacity, facilities, and connections</li> <li>• Encourage walking, bicycling, water transport, and public transportation</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance circulation within and around neighborhoods</li> </ul>
Employment/ Business Development	<ul style="list-style-type: none"> <li>• Promote new developments and renewal of existing communities</li> </ul>		<ul style="list-style-type: none"> <li>• New housing developments, new employment</li> </ul>





Plan Goals/Principles by Economic Orientation			
Element Type	Business/Employer	Business + Social	Social/Community
<b>Cherry Hill Community Master Plan</b>			
Transportation/ Connectivity		<ul style="list-style-type: none"> <li>• Improve Transportation</li> <li>• Shuttle Bus</li> </ul>	
Quality of Life			<ul style="list-style-type: none"> <li>• Improve Housing</li> <li>• Increase Access to Healthy Foods</li> <li>• Increase safety/lighting</li> <li>• Affordable Home Ownership Program</li> </ul>
Employment/ Business Development	<ul style="list-style-type: none"> <li>• New Development for Employment</li> </ul>		<ul style="list-style-type: none"> <li>• Improve Access to Jobs</li> </ul>
<b>2007-2012-City of Baltimore Comprehensive Master Plan</b>			
Transportation/ Connectivity	<ul style="list-style-type: none"> <li>• TOD Nodes and Incentives</li> </ul>	<ul style="list-style-type: none"> <li>• Improve access to jobs and transportation linkages between businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Bicycle and Pedestrian Access</li> <li>• Intermodal transit hubs in areas of low automobile ownership</li> <li>• Safe Routes to School</li> </ul>
Quality of Life			<ul style="list-style-type: none"> <li>• Completion of Middle Branch Park System</li> <li>• Increase educational attainment</li> </ul>
Employment/ Business Development	<ul style="list-style-type: none"> <li>• Targeting Employment Development in Key Industries</li> </ul>	<ul style="list-style-type: none"> <li>• Provide wireless technology in public areas</li> </ul>	<ul style="list-style-type: none"> <li>• Improve labor force participation rates—expand outreach to encourage use of One-Stop Employment Centers</li> <li>• Job training program</li> <li>• Inclusionary zoning</li> <li>• Rehabilitation Loans in historic districts</li> </ul>





## Existing Market Dynamics

### Existing Market Dynamics Conclusions

The Study Team examined demographic, economic, and real estate trends to understand the existing economic conditions, their influence on existing land use, and how these trends might shape future development. This report includes a full analysis of these factors in **Appendices B and C**, with the major conclusions included here.

The Economic Study Area is comprised of several very low income neighborhoods (with median household incomes lower than the U.S. Department of Housing and Urban Development’s (HUD) Section 8 “very low income” limit of \$35,000 for a 2-person household) and some more affluent neighborhoods (with median household incomes exceeding \$75,000). Population is highest in the south and east regions of the Economic Study Area, with the greatest share of total residents in the south. A majority of housing units in the Economic Study Area are renter-occupied rather than owner-occupied. Household incomes in the Economic Study Area are slightly higher in the City, which is most likely a result of the high household incomes in the east region. The east region has a median household income three times higher than the south and west regions and almost twice as high as the entire Study Area’s median household income. The south and west regions have a high percentage of households that own no vehicles. Certain neighborhoods in the south region have up to 72 percent of households not owning any vehicles. South and west regions rely heavily on public transportation and other alternative modes of transportation, such as walking or biking, yet there is a disconnect between the built environment and transportation demands in these neighborhoods. There is a lack of bike lanes and sidewalks for neighborhoods relying on such infrastructure. Most households in the study area spend most of their money on housing, food, and transportation. Educational attainment in the Economic Study Area, as a whole, is higher than the City’s with more people having a college degree. Within the Economic Study Area; however, the east region has a higher level of educational attainment than the south and west regions.

Unemployment has always been significantly higher in the City of Baltimore than the Metropolitan Statistical Area (MSA) or State of Maryland, which affects certain neighborhoods within the Economic Study Area more than others. The Economic Study Area’s largest employment industry is transportation and warehousing. Health care, transportation and warehousing, and wholesale trade are the largest employment industries within the Economic Study Area region. Renter-occupied and owner-occupied housing values are lower in the Economic Study Area than the rest of the City and MSA. Within the Economic Study Area, both renter-occupied and owner-occupied housing values are highest in the east region and lowest in the south and west regions. While the Economic Study Area’s industrial real estate market has lower vacancy rates than the City or MSA, average annual absorption is negative, and average annual direct rent is significantly lower than the City or MSA. Despite having the lowest average annual direct rent, the Economic Study Area’s flex real estate market is doing well; absorption is positive and vacancy rates are low. Though not a regional office location, the office real estate market in the Economic Study Area is performing well. The average annual direct rent is higher than the City or MSA, there is positive absorption, and, on average, there has been over 16,000 square feet of office space





added to the market every year since 2011. While absorption has been positive for the retail real estate market in the Economic Study Area, the average annual direct rent is lower than the City and MSA, and the vacancy rates are higher than the City and MSA.

**Table 3-2: Key Demographic and Economic Takeaways**

Key Data Takeaway	Implication for Economic Development
<b>Business/Employer</b>	
Positive Household Growth in the Study Area Overall	Possible opportunity for additional services/retail/housing
Young population in immediate area, many of working age	Potential workforce for new employers
Low retail spending in South and West regions of Study Area	Lower likelihood of new retail in those regions
Low Rents and Housing Values in Study Area	Lower likelihood of new housing development in those areas
Low Educational Attainment in South and West	Workforce may not be prepared for jobs for new employers
<b>Social/Community</b>	
Young Community—many working-age residents	Income-earning ages, could potentially attract new employers
Disparity of income between regions—high levels (around half of all households) of low incomes (Under \$25,000/year) in the South and West	Could indicate need for training, difficulty in access to good employment. Also creates difficulty in development of new retail/services
High renter occupancy	Instability—for individual households (affected by rent increases) and area (renters move more frequently and can have less of a vested interest in the area)
Lack of access to vehicles (44.7% of households in South have no access. One census tract has 72% of households with no access)	Rely on alternative modes of transportation. Need multimodal access. Puts vital services out of easy reach.



## Strategic Analysis

Though the existing conditions analysis can tell a community where it is, it does not necessarily give direction on where a community could go with specific intervention or investment. Because this study is considering a major infrastructure investment that could potentially shift the way the area operates, this analysis includes examination of existing challenges and barriers to employment generation and proposes potential strategies for removing these barriers. This portion of the economic analysis combines both quantitative and qualitative aspects of the market.

## Stakeholder Interviews

The trends and patterns examined in the existing conditions analysis and information gleaned from past planning efforts informed the initiation of this process, but additional critical information came from the stakeholders interviewed. The interviewees were recommended by the Baltimore Development Corporation and approved by the City and included a selection of economic development professionals, real estate developers, real estate brokers, and business group representatives.

The purpose of the interviews was to learn more about any possible barriers to the development of new employment, ideas for enhancement of the area, and qualitative information about their experience. While not all interviewees had the exact same observations or options, there were some general themes, which will be explored here.

### **The Bridge is an Asset and Emblematic to Baltimore**

Most of the interviewees stated that they liked the bridge and said that it was one of the most attractive bridges in the City. They want to see the bridge remain. They also reported that the overall condition of the bridge reflects how investors and others see the city. The condition should be improved to enhance the asset and keep it operable. They said the improvements on the bridge should reflect the significant private investment at Port Covington. One interviewee expressed the need for the City to “think bigger” and take advantage of the new energy in the area at Port Covington to create something new and use the opportunity to change things. An interviewee commented that the lack of attention to the bridge reflects the “forgotten” or ignored feelings within the residential communities. It is important to note that this can also flow down to the businesses; ignoring the infrastructure does not provide a positive impression for new business location. The bridge can be a point of pride as well as a conduit for transportation.



### **The Fairfield Industrial Area is Successful, and the Vietnam Veterans Memorial Bridge is a Critical Link**

The impression among interviewees was that the Fairfield Industrial Area is successful. It caters to those businesses that need it and for some, it is one of few suitable locations—such as for those requiring deep water roll-on, roll-off access. It has access for both rail and trucks and is generally well-occupied.

For this area, as one interviewee noted, the bridge is a “bloodline.” It is especially crucial for those trucks that cannot travel in the Harbor Tunnel—tanker trucks, trash trucks, permitted loads, or those over the height limit. It is a route from I-95 and the Inner Harbor to the Fairfield Industrial Area and Curtis Bay Industrial area. At night, the stakeholder said, thousands of tanker trucks travel from Fairfield to the Port.

Industrial and trucking company representatives want to ensure that the bridge remains in safe, operable, and free-flowing condition. They said it is an approved truck route and should remain that way.

Interviewees—both within the industrial community and outside of it—expressed concern for the condition of the bridge. For example, the hospital representative said that the condition of the bridge even impacts its ability to attract qualified employees. Employees there have endured damage to their personal vehicles from pot holes and rebar protruding from the road surface. Flooding is also a common problem in the area.

### **Vietnam Veterans Memorial Bridge Is Also Used For Toll Avoidance**

Most of the industrial developers and brokers agreed that companies typically have a preference for north of the bridge versus south of the bridge depending on the distribution of their customers. This is related to avoiding tolls and delays as much as possible. As already mentioned, the Vietnam Veterans Memorial Bridge is a critical connection for permitted loads that cannot enter the tunnel. However, there are also trucks traveling from the West/South destined for Fairfield—specifically the Childs Street exit area—that use the bridge to avoid the tolls. The Childs Street exit is beyond the toll booth for the Harbor Tunnel, but before the tunnel, and requires a toll for both directions. The state recently reduced the Childs Street toll from \$30 each way for vehicles with six or more axles to \$12 each way.

The interviewees noted that the tolls can add half a million dollars or more to some companies’ operating expenses, which ultimately can and has impacted the location decision for some companies that do not necessarily need roll on-off port access or deep water access. In one case, a third-party logistics company for a large retailer chose to locate its warehouse outside of the City of Baltimore after conducting a transportation cost study. There will always be the need for trucks to travel on the Vietnam Veterans Memorial Bridge. However, based upon the conversations with stakeholders, some believe tolls could possibly be responsible for creating additional truck traffic on the Vietnam Veterans Memorial Bridge and on the local streets.





### **There Are Other Infrastructure Improvements Needed in the Area**

While all interviewees were concerned about the Vietnam Veterans Memorial Bridge, given that it was the subject of the study, there were also additional infrastructure improvements needed:

- Improved safety. At the hospital, patients and staff cross Hanover Street routinely to go from the outpatient facility to the main hospital, and it is dangerous. There are often cars going the wrong way down Hanover Street, and speed is an issue. The interviewee observed an accident where someone in a car hit a light pole and drove away.
- Access to I-95 can be difficult and could be improved.
- Truck route mapping and markings can be confusing and could be improved.
- Clearance heights should be raised to accommodate over-dimensional cargo (for example, raising to 14'6"). Specific location mentioned was near the intersection of Patapsco Avenue and Hanover Street.
- Roads in/around Fairfield Industrial Area should be reconstructed to accommodate heavy (in weight and quantity) traffic
- Additional transit connections and improvements at the light rail stations are needed.

### **There Are Opportunities for Other or Different Uses**

The Fairfield Industrial Area was envisioned and promoted as an “eco-industrial park,” starting in the mid-1990s. At least one interviewee said that it was an idea ahead of its time, but that the area prompted the formation of brownfields legislation and brownfields cleanup, which they found to be successful not only in its resulting environmental improvements but also in encouraging multinational corporations to pay attention to property they may have been ignoring, thus incentivizing disposition of the land, creating additional locations for new business and reactivating previously fallow ground. While the eco-industrial park never quite reached its full potential, there are several businesses that fit the “eco-industrial” criteria.

Most locations within Fairfield are largely owner-user, with limited speculative or multi-tenant industrial development; however, interviewees suggested that there could be the potential for additional industrial development such as new warehouses and multitenant industrial buildings if a concerted effort toward development and infrastructure improvement is undertaken.

Most of the interviewees emphasized the need for the area—particularly Port areas and waterfront industrial—to remain industrial. However, there were a few individuals who felt that areas—particularly in Locust Point, in Westport, and along the Middle Branch—could transform to different uses such as mixed use residential, office, etc. as well as there being recreational opportunities.

### **Communities are Working Separate and Together to Enact Change**

There are many community groups and Community Development Corporations (CDCs) throughout the Economic Study Area neighborhoods, and recently, after planning efforts for major developments, such as the Horseshoe Casino and Port Covington, they are uniting to implement plans using available funds.





The South Baltimore Six Coalition (SB6) represents the Baltimore communities of Brooklyn, Cherry Hill, Curtis Bay, Lakeland, Mt. Winans, and Westport and entered into a Community Benefits Agreement with Weller Development. According to stakeholders, working on the SB6 has brought together people and neighborhoods that once considered themselves separate. Similarly, Strong City Baltimore has been assisting Brooklyn along with Curtis Bay and Brooklyn Park with developing a community improvement plan, in an effort that not only crosses neighborhood boundaries but also extends into Anne Arundel County.

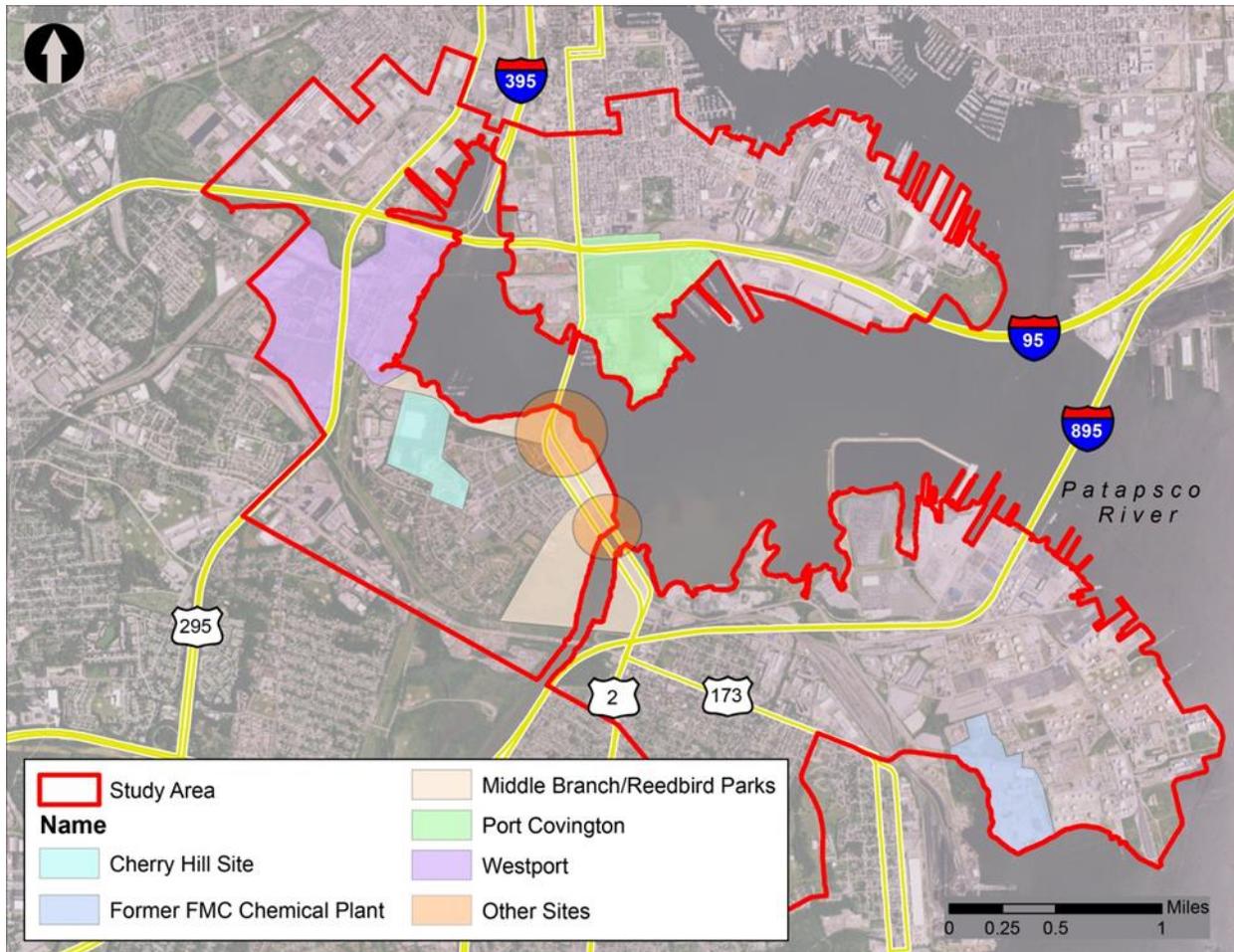
As one example of individual neighborhoods' efforts, Cherry Hill is working to improve opportunity through education and community development. There are two new schools being developed, one of which is an early childhood education center that will replace five separate schools. Community leaders have discussed using the school development as a way to promote economic development in the community and are exploring the potential for mixed-income housing and mixed-use development. Additionally, the New Era Academy will be adding the relocated Maritime Academy, which trains students for jobs in the maritime industry in addition to traditional school subjects and has a natural alignment to the location and work nearby.

### Opportunity Sites

Based on interviews and fieldwork, the following have been identified as “opportunity sites”—pieces of land that have the potential for significant development. In all cases, these are privately-owned lands, and in some cases, there are established development programs. So, the purpose is not to prescribe what should or should not happen, but to emphasize their importance and open discussion. This section includes ongoing development programs as well as sites with no known plans.



Figure 3-3: Opportunity Sites



### Former FMC Chemical Plant

FMC Chemical, makers of agricultural chemicals, left this site in 2007, with environmental concerns as a brownfield site. Most recently, it was proposed to have a waste-to-energy incinerator plant by Energy Answers, under a ground lease. Interviewees have lamented that it is largely lying fallow and that they wished the project would either move forward or that another tenant/development could be identified. There has been other interest in the property, and interviewees identified the property as being one of the few large parcels available for industrial development.

### Westport

The area of Westport was mentioned several times by interviewees, as both a location for light industrial/flex product and for mixed use/neighborhood development. Once a location for industrial uses, the area experienced decline, including both commercial and residential vacancies. Plans had been made for redevelopment of the waterfront parcels, leading to some speculative buying in the area, though to date, no new development has occurred. Development plans were formerly proposed by



developer Patrick Turner in 2006. The development never occurred, and the land was foreclosed upon in bankruptcy proceedings and subsequently auctioned to Weller Development in January 2016. The new owner has not revealed any concrete land use plans, but it is thought that there will be a relationship with nearby Port Covington.

### Port Covington

Port Covington by Weller Development is a major “game-changing” development in the study area. Slated to house the global headquarters for Baltimore-based-company Under Armour, which will develop additional space over the coming years, and other uses, the area is being transformed from an isolated industrial/port-based area to be an extension integrated into the fabric of the city. The development will take place over numerous phases and the course of 25 years.

Developing this area has the potential to draw energy from Downtown to South Baltimore and beyond, with future improvements of the Vietnam Veterans Memorial Bridge and its adjacent Hanover Street corridor. The bridge is within a 10-minute walk of the center of the development’s master plan. The Port Covington Master Plan proposed to bring Hanover Street to grade, with the goal of making it less like a highway and more like an urban street. This has the potential to enhance the connection between the new neighborhood and neighborhoods further south, via the bridge.

The Under Armour headquarters will eventually contain 3.9 million square feet of building space on 50 acres within Port Covington, built in four phases and attracting over 10,000 employees. The Under Armour campus—and Port Covington in general—has pedestrian orientation and multimodal access as a goal. The developers have an aspirational goal for a 50-percent mode share, whereas the normal mode share is 25 percent. The developer also anticipates adding park space and river access to the public realm.

### Middle Branch

The land near the Middle Branch was mentioned several times as a recreational/environmental resource, as well as a location where there is and can be industrial activity.

### Cherry Hill

There is a mixed-income housing and mixed-use development planned in conjunction with a new school near the corner of Cherry Hill Road and Round Road. The Cherry Hill Community Development Corporation currently has the Cherry Hill Urban Garden at this location, which could also provide development opportunity, with the hopes of making the new school a focal point of a new center for the community. The existing shopping center on Cherry Hill Road could also offer potential redevelopment if there is sufficient demand for mixed use development.

### Hanover Street Sites

Shown as “Other sites” in **Figure 3-3**, these sites have the potential for development to support commercial development—specifically retail—as the areas south of the bridge grow. As the gateway to the south end of the Vietnam Veterans Memorial Bridge, the area at Hanover Street and Waterview Avenue is a visible and accessible location, making it viable for retail. There is currently the Hanover





Street Bridge Shopping Center at this location, and as the area grows, this parcel and other nearby parcels could provide a location for new services.

Similarly, the parcel south of Reedbird Avenue between South Hanover Street and Potee Street is currently underutilized and could be a good location for additional services, particularly for residents of Cherry Hill.

### Barriers to Achieving Enhanced Economic Activity and Possible Strategies

Based upon the goals and initiatives indicated in studies and plans, evaluation of the area demographic and economic conditions, and interviews with industry stakeholders, several overarching goals and barriers to achieving them have been identified in **Table 3-3**. Some potential strategies for reaching these goals are also included.

**Table 3-3: Goals, Barriers, and Possible Strategies**

Goal	Barrier/Threats/Issues	Possible Strategies
Continued success of existing industrial space and additional industrial development and employment	<ul style="list-style-type: none"> <li>• Transportation costs (Tolls)</li> <li>• Deteriorating or inadequate infrastructure (Bridge/streets)</li> </ul>	<ul style="list-style-type: none"> <li>• Potential toll-related incentives, credits</li> <li>• Improvement of Vietnam Veterans Memorial Bridge, the Hanover Street corridor and area streets</li> </ul>
Further cultivate logistics industry	<ul style="list-style-type: none"> <li>• Transportation costs</li> <li>• Possible encroachment on waterfront industrial space</li> </ul>	<ul style="list-style-type: none"> <li>• Potential toll-related incentives, credits</li> <li>• Maintain Maritime Industrial Zoning Overlay District MIZOD; explore which uses may make sense as time goes on, and what can expand into other areas such as Sparrows Point</li> </ul>
Access of neighborhoods to retail and services, especially grocery stores	<ul style="list-style-type: none"> <li>• Food desert</li> <li>• Current perception by supermarkets of over-supply and under-demand</li> <li>• Low incomes and retail spending and low household growth in neighborhoods</li> <li>• Low vehicle access in food desert areas and inadequate transit connections</li> </ul>	<ul style="list-style-type: none"> <li>• Consider feasibility of farmers markets, cooperatives, and community gardening programs</li> <li>• Enhance transit options, such as shuttle buses or extending stops for the Charm City Circulator Into Neighborhoods</li> <li>• Possible light rail spur to new development at Port Covington from South and West regions</li> <li>• Address issues preventing previous attempts at resolving issue (online delivery, corner grocer fresh foods program) and attempt to intervene</li> </ul>





Goal	Barrier/Threats/Issues	Possible Strategies
Higher levels of workforce involvement	<ul style="list-style-type: none"> <li>• Disconnect between skills and employer needs</li> <li>• Employers—inadequacy of current employment placement agency</li> <li>• Difficulty of access to jobs</li> <li>• High rates of criminal background in some neighborhoods makes finding employment difficult</li> </ul>	<ul style="list-style-type: none"> <li>• Use job training programs with proven track records, focusing on fitting the right employees to the right job, not only focused on total numbers of jobs filled</li> <li>• Enhance transit and multimodal access—both within neighborhoods, to transit connections on major routes and between the study area regions.</li> <li>• Promote ZIP code-specific hiring programs in local employers</li> </ul>
Income and employment rate disparity between regions	<ul style="list-style-type: none"> <li>• Difficulty of access to quality jobs</li> <li>• Disconnect of skills</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance transit and alternative transportation modes</li> <li>• Develop job training programs in conjunction with local employers, experienced job placement professionals, and nearby community colleges.</li> </ul>
Increased pedestrian/bicycling access	<ul style="list-style-type: none"> <li>• Lack of connection</li> <li>• Lack of safe options</li> <li>• Poor pedestrian/bicycle environment</li> </ul>	<ul style="list-style-type: none"> <li>• Provide infrastructure improvements and a comfortable pedestrian environment to encourage walking and cycling.</li> </ul>
Increase recreational opportunities/open space/waterfront access	<ul style="list-style-type: none"> <li>• Existing parks and riverfront separated from community</li> <li>• Safety concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Provide connections to existing open space.</li> <li>• Work with communities and local business partners to improve caretaking</li> <li>• Encourage connectivity with new development, perhaps with incentives.</li> <li>• Activate areas to enhance safety</li> </ul>

