

ECONOMIC DEVELOPMENT COMMISSION
MEETING MINUTES

March 4, 2020

PRESENT

Dr. Mary Bolt (Cecil College), Linda Burris (Delmarva Power), JoAnn Dawson (Fairwinds), Danny DeMarinis (URP), Joe DiNunzio (Artesian Water), Sandra Edwards (CC OED Manager), Bruce England (SWN), Woody Jackson (Citizen), Michael Lara (Northrop Grumman), Sandy Maruchi-Turner (Tourism Manager), Bob Meffley (CC Council), Chris Moyer (CC OED Director), Maureen O'Shea (CC Agribusiness Coordinator), Robert Palsgrove (WSFS), Michael Ratchford (W.L. Gore & Assoc.), Dr. Carl Roberts (BDC), Richard Starr (CC OED Coordinator), Mike Travers (Cecil Dancercenter)

ABSENT

Vince Fiorelli (Chesapeake Utilities), Dr. Jeffrey Lawson (CCPS), Morgan Miller (CCPL), Dr. Rich Szumel (Union Hospital)

GUESTS

Debbie Brown (CC Chamber of Commerce), Scott Flanigan (CC DPW), Kathy Kunda (IXIMD), Jen Lyall (CC Public Information Officer), Jim Massey (Council Manager), Alan McCarthy (CC Executive), Laura Metzler (CCPL), Sharon Pelham (APGFCU), Brigitte Peters (MD Dept. of Commerce), Rupert Rossetti (Fair Hill International), Jack Schammel (TEDCO), Alan Sexton (SWN), Scott Sturgill (Quest End Capital), Jacqueline Covey (Cecil Whig)

Call to Order & Welcome

- Meeting called to order at 8:02 am
- Minutes from February 5, 2020 meeting approved.

U.S. Census – Cecil County – Jim Massey, Council Manager

- 2020 Census taking place
- Governor concerned population undercounted
 - Cecil County had ¼ of population not counted in 2010, which correlates to \$1,800/person per year in funding lost
- Important for representation in legislature; funding (federal and state) based on population – affects school funding, library funding, Medicare, Medicaid, SNAP, WIC, CHP, social programs to help people
- Easy – 10 questions – demographic questions
- Confidential – Census Bureau cannot share your information
 - Only used in calculating the Census
 - This year for first time two ways to respond – fill out online on National website or call 800 phone number
- Targeting hard to reach people – minorities, non-English speaking
- Beware of scams – be a wise consumer
- State of Maryland recruiting for Census workers --Make calls, go door to door

Chairman's Report – Mike Ratchford

- Thank Bruce for filling in last meeting

- Ethics Forms – please fill out and return
- Annapolis – Kerwin Commission report (funding of that report – big issue this year)
 - Sales Tax on Services -- Cut Sales Tax from 6% to 5% on consumables and services
- Gaming Bill (4 of them) for Sports Betting
 - Hollywood needs to be competitive with Pennsylvania and Delaware
- Legislative Wrap-up Breakfast – April 20th at 8:00 am, Minker Hall

Director's Report – Chris Moyer

- Events this spring:
 - **March 28th – Ag Symposium - Rooted in Our Community – Conversations with a Farmer**
 - Great opportunity for community and farmers to talk with one another
 - How/where to buy products/produce
 - Understand “buzz” words; i.e., gluten free, locally grown, antibiotic free, etc.
 - Make smarter decisions for your family
 - **April 23 – Ready, Set, Grow**
 - Six times/year State has procurement seminar/conference
 - Small and Minority Business Office hosting with County
 - Talk about special programs and grants available thru State
 - Procurement opportunities with State
 - Looking for 70-90 companies to attend
 - **Cecil County Procurement Open House – This Evening**
 - Help small businesses learn about government contracts; doing business with the County

A presentation of the Enterprise Zone was given by Sandra Edwards, Economic Development Manager

- A lot of misunderstanding about Enterprise Zones (EZ)

What is an Enterprise Zone?

- Defined as an economically depressed area in which business growth is encouraged by the government through tax relief and financial concessions
- In Maryland, joint effort between state and local governments to encourage new development, jobs, and growth
- Provides selected areas with real property and state income tax credits for businesses meeting criteria

Maryland's EZ Program

- Established by MD General Assembly 1982
- Gives local governments authority to offer economic incentives to businesses, including real property and income tax credits in return for job creation or capital investment
- Objective of encouraging economic growth in economically distressed areas; boost employment of chronically unemployed
- 37 EZ's across state encompassing 77,789 acres
- State reimburses local jurisdictions 50% of revenue lost as result of offering property tax credits
- County may apply for designation of a “qualified” area; however, if portion is within municipality, municipality governing body must consent to county's application

- Designations are for 10-year period; Political subdivision may request re-designation of all or part of designated zone before end of 10-year period
- Application deadlines April 15 and October 15 of any given year

Qualifying Criteria for Establishment of EZ

- In a Priority Funding Area or meets exception under Title 5, Subtitle 7B of State Finance and Procurement Article
- Meets at least one of following unemployment rate, poverty level, median family income level, or population benchmarks:
 - Average unemployment rate for most recent 18-month period is at least 150% greater of average unemployment rate in either State or US during that period
 - Population in area qualifies area as a low-income poverty area
 - At least 70% of families in area have incomes less than 80% of median family income
 - Population in area decreased by 10% between two most recent censuses and political subdivision can demonstrate chronic abandonment or demolition of property is occurring or substantial property tax arrearages exist

Expansion of an EZ

- Political subdivision may apply to expand an existing EZ following same criteria and process
- Designation period for expansion area of zone runs simultaneously with period of original zone designation and expires at same time as original zone designation
- Cecil County's EZ was re-designated on June 15, 2013; 10-year designation expires on June 14, 2023

Cecil's EZ Standards

- To be eligible for EZ incentives, business must:
 - Locate/expand within boundaries of Cecil County (CC) EZ
 - Engage in business activity that is industrial or commercial.
 - Be in good standing with CC and State of MD
 - Hire one or more new full-time employee(s)
- Changes to CC's EZ standards must be approved by County Council and Secretary of Commerce

EZ Income Tax Incentives

- 2 Types:
 - General Income Tax Credit -- One-time credit of \$1,000 per qualified employee
 - Income Tax Credit for Economically Disadvantaged Employees -- Tax credit up to \$3,000 of employee's wages in first year of employment, \$2,000 second year, \$1,000 in third year for total potential income tax credit of \$6,000
 - There are additional requirements to both, General Income Tax Credit and Income Tax Credit for Economically Disadvantaged Employees
 - These income tax credits can be stacked with other job creation based income tax credits

EZ Real Property Tax Incentive

- 10-year credit against local property taxes
- Property Tax Credit on increased assessed value of expansion, renovation, or capital improvement
- Annual credit is 80% of eligible assessment in each of first 5 years; credit decreases annually 10% for each of subsequent 5 years
- State pays 50% of tax credit back to counties for each year of 10-year period

Why Support the EZ?

- Without EZ and other incentives, ability to attract new businesses would be compromised
- National and international developers can build anywhere but routinely seek out sites with EZ designation
- Majority of funding supporting EZ program comes from the state; if don't take advantage, funding will go to other counties

Subcommittee Reports:

Education/Workforce – Bruce England

Cecil College participating with middle states accreditation visit (receive federal financial aid for students)
Starts on March 29th

March 28th - Student athletes and Coach Charlie O'Brien – being inducted into NJCAA Hall of Fame

Technology – Danny DeMarinis

Ready Set Grow - Tech committee to help publicize event thru April 23rd

Finance – Bob Palsgrove

Several applications in the works

To date, no applications funded yet but working with possible application now

Communications – JoAnn Dawson

Hope's Legacy premiere – shows Cecil County in a great light

Please show up and support the event

County Executive - Dr. Alan McCarthy

In middle of budget season; will present to Council by April 1

Will be fourth balanced budget; continue to put money in emergency fund; third year of no tax increases in Cecil County

Summary

Location for April EDC meeting TBD – will disseminate to members

The report will be made available via OED website.

Adjournment

The meeting was adjourned at 9:10 a.m.

Our next EDC meeting will be on April 1, 2020 at 8:00 a.m., location TBD.

Respectfully Submitted,

Terri Springel
Administrative Assistant