

ECONOMIC DEVELOPMENT COMMISSION

MEETING MINUTES

April 3, 2024

PRESENT

Dr. Mary Bolt (Cecil College), JoAnn Dawson (Fairwinds), Danny DeMarinis (NEMD URP), Joe DiNunzio (Artesian Water), Amy DiPietro (MRA), Sandra Edwards (OED Mgr.), Vince Fiorelli (Chesapeake Utilities), Woody Jackson (Citizen), Ed Jones (Northrop Grumman), Kimberly Justus (SWN), Amy Marston (Christiana Care-Union), Sandy Maruchi-Turner (Tourism Manager), Morgan Miller (CCPL), Michael Ratchford (W.L. Gore & Assoc.), Kim Ray (Tourism), Dr. Carl Roberts (BDC), Bill Sorenson (OED Director), Mike Travers (Cecil Dancer)

ABSENT

Ariel Balog (Ag-Industry Coordinator), Kristina Brown (Delmarva Power), Jackie Gregory (Council), Dr. Jeffrey Lawson (CCPS), Robert Palsgrove (Citizen)

GUESTS

Michele Burch (Realtor), Amber Durand (Patterson-Schwartz Real Estate), Scott Flanigan (DPW), Danielle Hornberger (Cecil County Executive), Bryan Lightner (Charlestown), Megan McRay (Chamber of Commerce), Steve O'Connor (CC LUDS), Brigitte Peters (MD Commerce), Jeff Sellers (SB Realty), Maura Van Syckle (SBDC), Andrea Vuncannon (APGFCU)

Call to Order & Welcome – Mike Ratchford

- Meeting called to order at 8:00 am
- Meeting minutes approved for March 2024

Chairman's Report – Mike Ratchford

- Unfortunate situation with Port of Baltimore – priority in Annapolis

Director's Report – Bill Sorenson

- Key Bridge – will share any information learned
 - 4,900 trucks/day cross; will impact Cecil County
- Will be recognized at MEDA Annual Conference Awards Ceremony next week for Great Wolf Lodge, highlights in economic development projects in Maryland
- Utilitrain – Grand Opening coming up
 - Received accreditations as utility line and CDL school
- April 30 – Hosting AI-ChatGPT Information Session at North East Library; funded by USRC
- Ariel (Ag Business Coordinator) at Elkton Help Center tomorrow lending assistance

Key Bridge Update – Danielle Hornberger

- Weekly/bi-weekly meeting with Governor's office
- Really no direct impact to Cecil County other than travel; prices will be impacted; delays due to shipping in/out of goods
- Cargo being diverted to Norfolk
- Made 10 ft. and 15 ft. draft – need 25 ft draft + width to move more ships through
- Trying to hold on to port workers
- Rebuild to take years

- Cecil County bridges – made great strides in last several years in getting bridges into “C and above” rather than “D and below” category; Army Corp of Engineers maintains

An update on the Commercial Real Estate Market was presented by Jeff Sellers, Broker, SB Real Estate, LLC

- Tremendous opportunity in Cecil County
- Look on LoopNet & CoStar – top commercial listing websites
- In Cecil County – For Lease 77 properties; 65 on LoopNet & CoStar for Sale
- Tremendous amount of qualified buyers
- Qualified Deals = really good terms, price is a reality not just spiked
- 2021 & 2022 unprecedented years in real estate
- Prices still up & interest rates up – shift eminent – prices will have to come down to market
- Cap Rates: one-year rate of return to an investor from a commercial property; not seeing as much due to higher commercial rates
- Commercial Rates: Low end 6.5%, High end 8-8.5%; Loan to Value: 65-70% banks want and higher if strong occupancy, strong tenants, property newer, etc.
- 1031 Exchanges = If sell commercial property, can take proceeds of sale and put into another, like or similar commercial property, and defer taxes
- Industrial Market: Nationally, supply of space is starting to outstrip demand
 - Philadelphia second largest industrial market (80M sq. ft. of industrial space) behind Chicago
- Office Market: Still soft (due to Covid); lots of availability; per sq. ft. rent rates need to come down
- National Chains still able to do business like in 2021/2022; local business owners cannot
- Outdoor Storage Yards: called “industrial” storage; in high demand because of specific zoning, whether for C containers or tractor trailers

An update on the Residential Real Estate Market was presented by Amber Durand, Owner/Broker, Patterson-Schwartz Real Estate, Chesapeake City

- Stats:
 - Pricing still up; average sales price up 5.2%
 - Plenty of buyers, mix of people financing and paying cash
 - Most homes sell within 1-2 weeks
 - Most important to price home accurately; if overpriced will sit; if condition issue, can adjust price
 - Comps: Higher prices reflective of folks coming into County and bringing money with them
 - Trends:
 - Avg. days on Market = 10
 - 1-2 years ago: See multiple offers, some \$30-\$50K above ask
 - Current: Seeing asking price offers; buyers wanting inspections and asking for concessions
 - Reasons to Sell: Death, divorce, relocation, outgrown home (usually necessity move)
 - New Construction Homes: Con - timeline to finish; Pros – new/not used home, no repairs
 - Middle Price Housing market does not seem to exist; very limited inventory for first time home buyers
 - Seeing buyers in last 1-2 years selling again; big uptick in cash sales
 - Supply and demand – still a housing shortage; will keep pricing high; have qualified buyers

An update on Residential Development (Permits & Subdivisions) was presented by Steve O’Connor, Director, Cecil County Land Use & Development Services (LUDS)

- LUDS organized into four divisions:

- Division of Development Plans Review (DPR); Division of Permits & Inspections (P&I); Division of Planning & Zoning (P&Z); Division of Water & Sewer Planning (WSP)
- Division of Water & Sewer Planning (WSP) under County effective 8/22/23
- LUDS provides staff support to up to 10 boards and commissions
- **Update on Residential Subdivisions & Building Permit Activity:**
 - Dwelling and Subdivision Activity 2019-2023
 - 5-year Comparison shows steady growth with average 200-300 dwellings/year (most directed into growth corridor)
 - Percentages in Growth Area, Percent in Towns, and Total Lots data provided
 - Subdivisions – laws vary year to year depending on type of subdivision (townhomes, single family)
 - Over 90% in growth areas with exception of Cinnamon Woods 55 Community (27 manufactured homes)
 - **What's in Pipeline?**
 - 3,170 potential new lots in queue (function of development community and how they're moving forward)
 - 1,100 new lots have come through concept plaques
 - **Outside Factors:**
 - 2020-2023: Covid
 - 2019-2020: Interest Rates drop
 - 2022-2023: Interest Rates Increase
 - Cecil County:
 - Remained steady
 - Growth occurring in designated areas
 - 80% Dwellings in Growth Areas; 90% of new lots in Growth Areas
 - **Improvements:**
 - OPENGOV:
 - Internet based permitting software -- Apply for Permits 24/7; Can view status of permit
 - Division of Water & Sewer Planning:
 - Was one of biggest hindrances to permitting and development
 - Upwards of 26 weeks for review of permit
 - Took on role of reviewing sewage disposal (septics) and water supply
 - 5 staff members – all positions filled; brought in retired health director on contractual basis
 - No perc season last two winters plus this winter's perc season – past perc seasons have been completed
 - Currently, perks take about 2 weeks after request
 - Water & Sewer Planning Permit Statistics (Aug. 22, 2023 – Dec. 31, 2023):
 - Presented to County Council on Feb.13, 2024
 - Completed 567 Building Permits, 64 Septic Permits, 79 Well Permits
 - Currently looking at 30-day turnaround on permits pending no reviews/issues

Cecil College Update – Dr. Mary Bolt

- May 19 – Graduation – Celebrating student success
- June 7 – Athletics Golf Tournament @ Patriots Glen
- Summer Camp registration open

Cecil County Public Library – Morgan Miller

- April 20 @ 11am -- Intro to Website Analytics

- April 30 @ 11am -- Navigating When to Approach Your Bank for Financing

Cecil County Chamber of Commerce – Megan McRay

- April 4 @ 6pm – Candidates Forum @ Milburn Stone Theater (please register)
- April 12 – Membership Appreciation Picnic
- April 16 – Legislative Wrap-up Breakfast; all 8 Cecil County delegation to attend
- May 2 – 37th Annual Golf Tournament @ Furnace Bay
- Check website for Roundtables, etc.

Government Relations Committee – Dr. Carl Roberts

- Session in final week, sign or die 12:00 Monday, April 8
- Megan and I invited to attend update on Key Bridge by US Chamber of Commerce and MD Chamber of Commerce – report forthcoming – updates coming in daily
- Key Bridge Collapse – another major problem is commuter traffic

Susquehanna Workforce Network (SWN) – Kim Justus

- SWN working with Dept. of Labor to develop response for individuals and businesses impacted by Key Bridge disaster
- Have reached out to number of warehouses but do not feel impacted thus far
- Starting outreach to trucking companies
- Please contact SWN if a business has been impacted; very willing to lend assistance

Adjournment

The meeting adjourned at 9:18 am.

Next EDC Meeting is May 1, 2024, and is scheduled to be VIRTUAL.

Respectfully Submitted,

Terri Springel

Administrative Assistant