

## ECONOMIC DEVELOPMENT

### INTRODUCTION

North Beach is predominantly a quiet residential bedroom community that takes advantage of job opportunities in nearby Washington, D.C., Annapolis, Baltimore, and other local communities. The “journey to work” is generally within an hour or less drive and commuters take advantage of the County and MTA bus service that shuttles workers to nearby employment areas. The trolley system also operates during the summer months transporting people locally.

Historically, the County relied on jobs associated with agriculture and aquaculture. Early in the 20<sup>th</sup> century, tourism and recreation became important in the County’s economy when North Beach and Chesapeake Beach became sought after vacation stops that provided a high-class seashore experience. Most of the building construction at that time was summer cottages, churches, and shops. A commercial area grew around the trolley line, where Chesapeake Avenue is today, that ran to Chesapeake Beach and the amusement park that was built there. Many of the buildings that survive today were built between 1920 and 1940.

In 1910, North Beach had grown and prospered sufficiently to be granted a corporate charter by the State to be a self-governing municipality. However, the economy of the Town suffered when hurricanes in 1933 and 1954 destroyed a number of structures and improvements. In 1945 and 1975, fires caused additional destruction of businesses that provided services to the Town’s citizens. Following World War II, legalized slot machines and other gambling attractions in Southern Maryland brought a resurgence of tourism to the beaches. This created a change in the nature of the town as a resort attraction from family facilities to gambling devices. Family oriented establishments were replaced with taverns and bars. The opening of the Eastern Shore by the construction of the Bay Bridge occurred just as North Beach was becoming more and more dependent upon slot machines as its main attraction. Repeal of legalized gambling in 1968 affected the prosperity of North Beach and Southern Maryland, as well.

Despite past economic fluctuation and difficulties, North Beach has continued to grow at a slow and steady pace. In the 1960s, the County’s population growth began to accelerate as people moved out of the Washington, D. C. metropolitan area. North Beach had attracted this migration and cottages built for summer homes, had started to be converted to year round residents. This trend continued with some out-migration of younger workers looking for jobs in the 1970s; but commuters and retirees started to settle as permanent residents in this quiet little town with views of the beautiful Chesapeake Bay.

In the 1980s and 1990s, Calvert County’s economy expanded and the County saw an increase of population and a change of the type of business into more technical-oriented companies. This attracted a more diverse base of services and retail establishments in Prince Frederick, and along Maryland Route 4 that provided a

destination point for a variety of shopping opportunities for residents of North Beach and surrounding areas. Today, although North Beach’s population cannot support some of the major retail chains or big box retail establishments, the Town contains

retail and service-related businesses located within walking or biking distance. The Town’s officials are very interested in attracting other businesses and tourists, and have been making progress in doing that. (The Municipal Element describes some of these improvements). It is apparent that the current state of the national economy will affect the employment and economic growth in future years; however, the table and projections that are in the Plan will be able to be reviewed against the 2010 Census Bureaus numbers during the next comprehensive plan review. Tables within this Plan may be revised during the next comprehensive plan update.

**Box EC-1**

Demographic and economic forecasts have been prepared With County Data when Town Data wasn't available. Tables should be updated during the next mandated 6-year Comprehensive Plan update.

Employment, Journey to Work  
Table EC-1

<b>Maryland: Southern Region. Calvert County, North Beach Actual 1970-2000; Projections 2005-2030</b>										
<b>Jurisdiction</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>
<b>Southern Maryland Region</b>	41,190	50,980	93,028	125,371	148,629	160,400	177,700	187,800	195,600	201,300
<b>Calvert County</b>	6,249	7,797	18,276	26,056	32,433	35,200	41,100	44,500	46,300	47,200
<b>North Beach</b>	-	-	-	1,062	1,322	1,434	1,674	1,812	1,885	1,922

Historical Data from US Census Bureau of Economic Analysis, Tables CA 25 & CA 25N. Projections from 2010 to 2030 Prepared by Maryland Department of Planning Data Service, February 2009.

In the absence of at-place employment trends for North Beach, Calvert County and Southern Maryland data was used to illustrate employment growth trends. Overall Calvert County is projected to increase 3.6 percent in employment from the 26,056 actual person employed in the year 2000. Calvert County had a 134.0 percent increase from 1980 to 1990. Between 1990 and 2000, there was an increase of 42.5 percent; however, the percent of growth decreases over the forecasted years. A review of the 2004 Calvert County Comprehensive Plan partially explains that substantial growth in employment began in the 1970s due to construction of major employment facilities in the County.

Additional expansion in growth can be explained by the increase of people willing to commute to work, as well as, retail and services sector growth needed to accommodate the increasing population.

Table EC-2 below shows the projections extrapolated out to the year 2030 based on the overall growth in employees in the County. According to the Calvert County 2004 Comprehensive Plan, the County expanded its civilian labor force 30 percent between 1992 and 2002 overall. The Plan cites the importance of Town Centers and references the resurgence in tourism and the development of small businesses in North Beach and Chesapeake Beach. North Beach should follow this trend fairly closely mainly based on residents commuting out of Town as they have in the past.

2000-2030  
North Beach Employment Projections <sup>1</sup>  
Table EC-2

<b>Years</b>	<b>Percent Increase</b>	<b>Number of Jobs</b>
<b>1970</b>	-	<b>Table EC-2</b>
<b>1980</b>	<b>24.7</b>	-
<b>1990</b>	<b>134.4</b>	-
<b>2000</b>	<b>42.6</b>	<b>1,062</b>
<b>2005</b>	<b>24.4</b>	<b>1,322</b>
<b>2010</b>	<b>8.53</b>	<b>1,434</b>
<b>2015</b>	<b>16.7</b>	<b>1,674</b>
<b>2020</b>	<b>8.2</b>	<b>1,812</b>
<b>2025</b>	<b>4.0</b>	<b>1,885</b>
<b>2030</b>	<b>1.94</b>	<b>1,922</b>

<sup>1</sup>Percents based on Calvert County's Projected Growth

According to 2000 census data, North Beach employees were traveling approximately 41.9 miles during their journey to work, were earning a median household income of \$46,111. The median value of owner occupied housing was \$116,000. Although it is recognized that the median household income and median value of owner occupied housing has increased over the last eight years, sufficient data at a town level is not available to cite exact numbers.

Table EC-3  
Travel Time to Work; Median Household Income; Median Value of Owner Occupied Housing

<b>Year</b>	<b>Mean Travel Time</b>	<b>Median Household Income</b>	<b>Median Value of Owner Occupied Housing</b>
<b>2000</b>	<b>41.9</b>	<b>\$46,111</b>	<b>\$116,000</b>

A Market analysis prepared by Hunter Interests, Inc in 2001, studied the market area of North Beach using a larger geographical area than the boundaries of the town which included areas that were within one, five, and ten miles of North Beach. In this study they found that the most common sectors for employment in the workforce were in retail, professional, construction, and public administration. This study supported the fact that a large number of residents are traveling from their homes in North Beach to their jobs, which would continue until there are more employment opportunities in North Beach.

The Hunter Study (2001) contains a more expansive and significant look at North Beach from a more economic prospective and detail than the 2000 census data. Hunter utilized a larger market area for North Beach that would be more realistic in evaluating the type of services, retail, and job opportunities and the wealth that is in or closely adjacent to the Town. In the market study, the population increased due to a larger market service area; and, it indicated a population that would be likely to economically support commercial endeavors in Town.

Hunter found that within a one, five, and ten mile radius of the center of North Beach, the 2005 population was projected to be 6,015; 21,964; and 64,672 of patrons respectively. Of course, the market area does include the towns of Deale, Chesapeake Beach, and other commercial areas within a ten-mile radius that would be competing for a portion of the market, as well.

The market area's household wealth distribution shown in Table EC-4 shows a more specific and varied breakdown of household wealth in 2000 than census data did for the same year.

	<b>1-Mile Ring</b>	<b>% in 1- Mi. Ring</b>	<b>5-Mile Ring</b>	<b>% in 5- Mi. Ring</b>	<b>10-Mile Ring</b>	<b>% in 10- Mi. Ring</b>
Total Households	1,847		6,795		19,902	
Less than \$25,000	517	28.0%	1,580	23.3%	3,821	19.2%
\$25,000 to \$49,999	169	9.1%	561	8.3%	1,521	7.6%
\$50,000 to \$99,999	308	16.7%	1,075	15.8%	3,047	15.3%
\$100,000 to \$249,999	497	26.9%	1,880	27.7%	5,700	28.6%
\$250,000 to \$499,999	264	14.3%	1,156	17.0%	3,833	19.3%
\$500,000 and Over	105	5.7%	540	7.9%	1,969	9.9%

Of significance is the household wealth dynamics relative to income that indicates that 63.6 percent of household wealth within one mile of the center of North Beach is over \$50,000 and 46.9 percent is over \$100,000 in 2000.

Based on the Comprehensive Plan citizen survey, of those residents that wanted additional growth in Town, preferences were indicated for a grocery store, additional cultural events, some additional retail, and professional or general business offices. Due to the number of tourists that are visiting the area, some residents referenced a desire for some bed and breakfast or small hotel establishments. The Town's Zoning Ordinance does allow for home occupations that could add small business opportunities; however, these opportunities should not infringe upon residential neighborhoods.

## Tourism

North Beach strongest attribute is its location on the Chesapeake Bay. It attracts buyers of second homes, attracts the older population who is seeking a quiet place to retire, and it draws tourists who realize that they can be on the beach in less time than it takes to get to the east coast.

North Beach has a number of community events during the year and an active tourist presence during the summer months. The beach, fishing pier, and special events have been very successful. In 2007, 24,958 people visited North Beach. From April 26 through September 13, 2008, the number of tourists grew by 25 percent to 31,311 visitors. These numbers are based on ticket sales and beach fees; however, the numbers could be much higher due to attendance at functions such as: the Friday night Farmer's market, Bay Fest, and other events during the year. Implementing parking improvements, as suggested by the 2009 Desmond Parking study, will enhance both parking opportunities for visitors and revenues.

During the summer months the Beach Trolley (BTA) provides transportation for tourists and residents who travel between Chesapeake Beach, North Beach, Herrington Harbor, and Deal. There are a number of stops during the two hour round trip. Some citizens have stated that they enjoy the service; however, the time for a round trip is not always convenient. There has been a proposal to add an additional trolley which would reduce travel time during a round trip to one hour which is more favorable and would add flexibility to activities during the trip.

## ADMINISTRATION AND FINANCE

The ability of local government to meet the needs of citizens depends to a large extent, upon effective communication among elected officials, town administrators and citizens. Public participation in government, such as the public hearing process and notification requirements is mandated by Article 66B of the State Planning enabling legislation and is a most crucial element of the comprehensive planning process. Without public input, even the most well meaning plan is unrealistic.

Results from the citizen survey conducted in the fall of 2008 indicated that the citizens are satisfied with the help that they receive from town staff and the elected officials. The Town has been successful over the past several years in applying for and receiving outside sources of revenues for needed capital improvements. However, there is still a need to continue to fund new capital improvements with the event of increased operating costs that will be associated with additional growth. Periodically, the Town should compare fees charged for development review and services with other communities to assure that their fees are comparable to other jurisdictions.

## ECONOMIC GOALS

1. Preserve the character of North Beach as a family-friendly small town while managing and directing the growth of the town to maximize revenues.

2. Expand the revenue producing opportunities of North Beach such as pay-by-space parking meters.
3. Provide additional parking opportunities downtown for business development and citizen and tourist parking as suggested in the Desmond Parking study.
4. Work with the County to improve transportation facilities between employment locations.
5. Encourage developers to pay their way relative to streetscape improvements, parking, public art, and community needs relative to their projects.
6. Continue to streamline and enhance development regulations to expedite redevelopment, adaptive reuse, and infill development on vacant and underutilized parcels downtown.
7. Continue to monitor grant and other funding programs to finance improvements in Town.
8. Retain and attract high quality businesses to achieve a balance of commercial, office, and home based businesses to provide a strong employment base and meet the needs of the citizens.
9. Attract a small hotel or encourage bed and breakfast business to locate in North Beach to enable tourists to stay in the Town during week ends and for summer events.

## **POLICIES AND IMPLEMENTATION STRATEGIES**

### **Policy EC.1: Promote a diversified economic mix.**

#### **Implementation Strategies**

1. Explore the financial impact of acquiring additional sewer taps for future development to provide for growth in downtown.
2. Explore incentives to attract businesses to locate in downtown. The survey has suggested a small hotel would be desirable and would support tourism.
3. Attract services that residents need on a daily basis to promote North Beach's economy and reduce vehicular trips to other communities. The survey had suggested a small grocery store or drug store.
4. Encourage and attract a retail mix of small businesses and specialty goods and services that contribute to the economic mix while respecting the size, scale, and historic character of the community.

### **Policy EC.2: Strengthen downtown as a center for culture and arts. Evaluate the requirements to be included in the State's Entertainment District program and work toward making North Beach an Entertainment district during this planning period.**

#### **Implementation Strategies**

1. Continue to promote and support the art and entertainment related businesses and activities in Town.
2. Explore the possibility of combining the future Bayside History and Nature Center with a conference room or large meeting room for small entertainment venues.

3. Work with Calvert County and other nearby communities when scheduling events tourist attractions.

**Policy EC.3: Continue to promote North Beach as a tourist attraction.**

**Implementation**

1. Continue to promote and support existing tourist attractions by working with the County tourism office.
2. Develop additional water related recreational opportunities: for instance rental of canoes, kayaks or paddle boats.
3. Promote the Bay Museum by capitalizing on the acquisition of the Captain John Smith book.
4. Explore the possibility of running a water taxi between North Beach and Chesapeake Beach.
5. Resurrect the plans for the Bayside History and Nature Center Museum and study possible construction of the facility in the future in conjunction with other water related activities.
6. Support the use of the summer trolley and addition of another trolley to lessen the travel time between points.

**Policy EC.4: Encourage infill development and mixed use projects in the downtown area in the Waterfront Renaissance zoning district to allow for professional and general office space and commercial establishments.**

**Policy EC.5: Review the scale and types of uses in the Neighborhood and General Commercial zoning district use matrix relative to the impact of uses on residential development and amend the use matrix.**

**Policy EC.6: During development design and review of new projects or redevelopment, emphasis should be on preserving view sheds of the Chesapeake Bay for the majority of citizens to enjoy.**

**Policy EC.7: Seek Planning Commission future infrastructure improvement recommendations to be made and heard at a public hearing as part of the capital improvement budget approval process.**

**Policy EC.8: Analyze the cost of review of development applications and compare the Town's fees to other jurisdictions to be sure they are comparable.**

**Policy EC.9: Encourage and assist the private sector in obtaining State funding for neighborhood business revitalization projects that further the objectives of this Plan.**

**Policy EC10: Continue to apply for outside sources of revenue for needed capital improvements and maintenance of the same and coordinate major public improvement with adjacent jurisdictions, County, or State to save infrastructure costs.**

**Policy EC11: Revisit and reaffirm the Home Occupation regulations to be sure that businesses will not be operated that negatively impact residential neighborhoods.**

**Policy EC12: Work with County Transit to insure additional trips and several stops in town for morning and evening buses to major employers and for local service with an increase in population.**

**Policy EC13: Enhance the gateways to the key corridors with visual improvements.**

**Policy EC14: Continue to develop a strong public participation program in government decision-making.**

**Policy EC15: Continue to provide adequate notice for public hearings and provide information on the issues that will be discussed at the public hearings.**

**Policy EC16: Periodically compare fees for development review and services from other jurisdictions to assure fees are competitive.**