

HR&A +



# Economic Development Visioning Session

**City of College Park, Office of Economic Development**

March 2023


For Discussion Purposes Only

# Agenda

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The background image shows a modern, multi-story building at night. The building has large glass windows and balconies, some of which are illuminated from within. A large crowd of people is gathered in the foreground, in front of the building. Some people are standing, while others are sitting on wooden benches. The scene is lit up by streetlights and the building's interior lights, creating a vibrant atmosphere. The text "01" is overlaid on the image in a large, blue, sans-serif font.

| 01

# Purpose and Approach

## PURPOSE OF VISIONING SESSION

HR&A will help the City of College Park define a vision and set goals for a future economic development strategy, in line with its current Strategic Plan.

### Vision

*What is your vision for the College Park economy over the next 5, 10, and 20 years?*

*How should UMD factor into the City's vision?*

*How does the Purple Line affect your short- and long-term vision?*

### Goals

*What does a successful economic development strategy accomplish?*

*How would you define and measure success?*



## NOTES PAGE

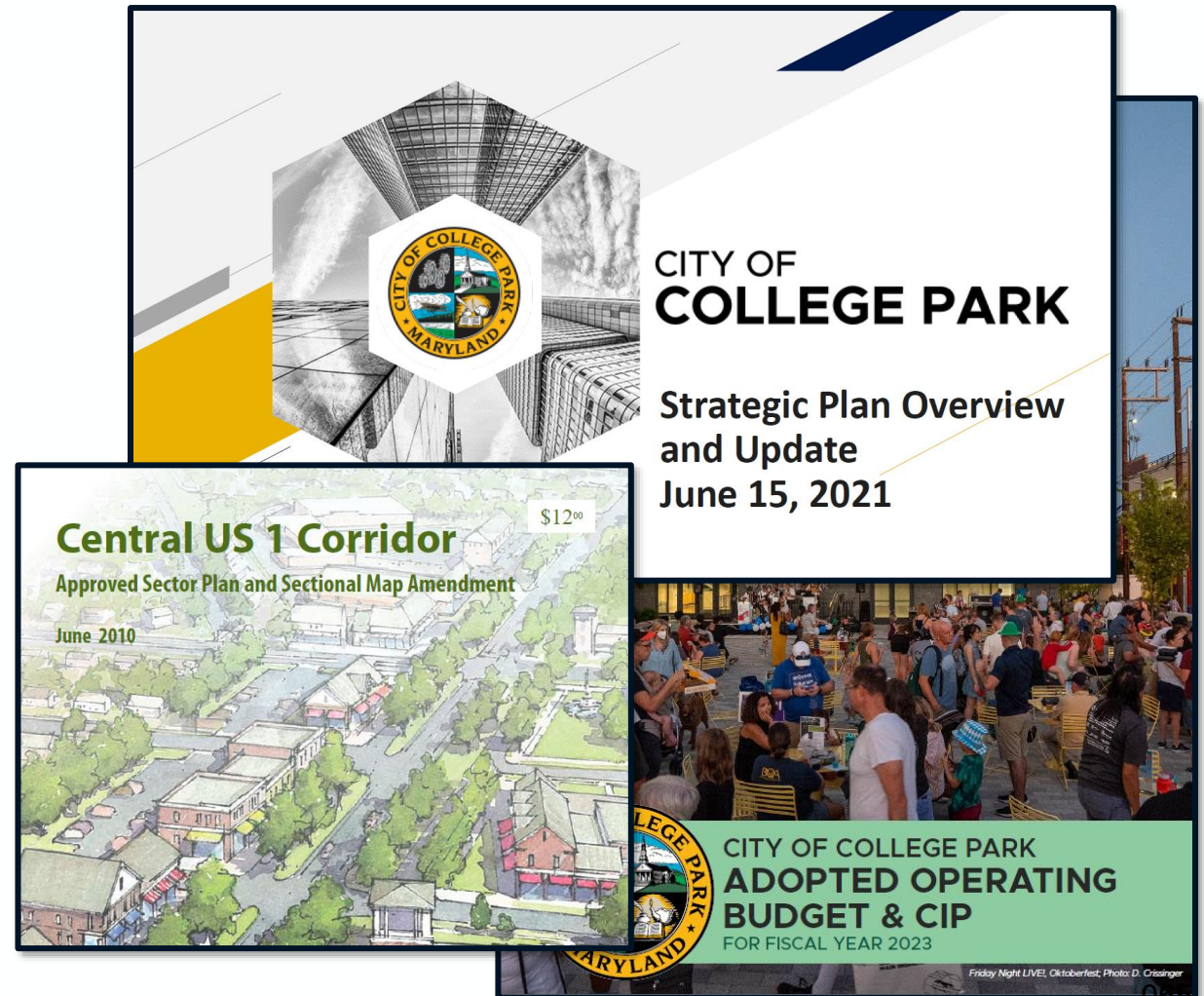
As we progress through this presentation, please use the below table to organize your notes.

	Notes
<i>What is your vision for the College Park economy over the next 5, 10, and 20 years?</i>	
<i>How would you define College Park's identity today? What do you want it to be in the future?</i>	
<i>What does a successful economic development strategy accomplish? How do you measure success?</i>	

## PRECEDENT PLANS

To better understand existing conditions in College Park, HR&A reviewed key regional plans and City documentation.

- 2010 Route One Corridor Sector Plan
- 2021 Building Code Feasibility Study
- 2021 – 2025 Strategic Plan
- FY2015 – FY2023 Operating Budget



## APPROACH TO ANALYSIS

To better understand existing conditions in College Park, HR&A analyzed the City across a multitude of dimensions.



**LAND USE  
PATTERNS**



**REGIONAL  
DEMOGRAPHICS  
AND ECONOMY**



**REAL ESTATE  
MARKET**



**ECONOMIC  
DEVELOPMENT  
TOOLS**

Based on our analysis we identified several **Opportunities** and **Challenges** facing College Park today.



## PEER MARKETS

To better understand relative strengths and weakness of College Park, we compared to a set of local peer communities and other Big Ten markets where applicable.

### Local Communities



**Annapolis, MD**



**Bowie, MD**



**Laurel, MD**



**Rockville, MD**



**Prince George's  
County, MD**

### Big Ten Markets




**Ann Arbor, MI**



**Evanston, IL**





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# Opportunities and Challenges

## GROWING AND DIVERSIFYING HOUSING STOCK

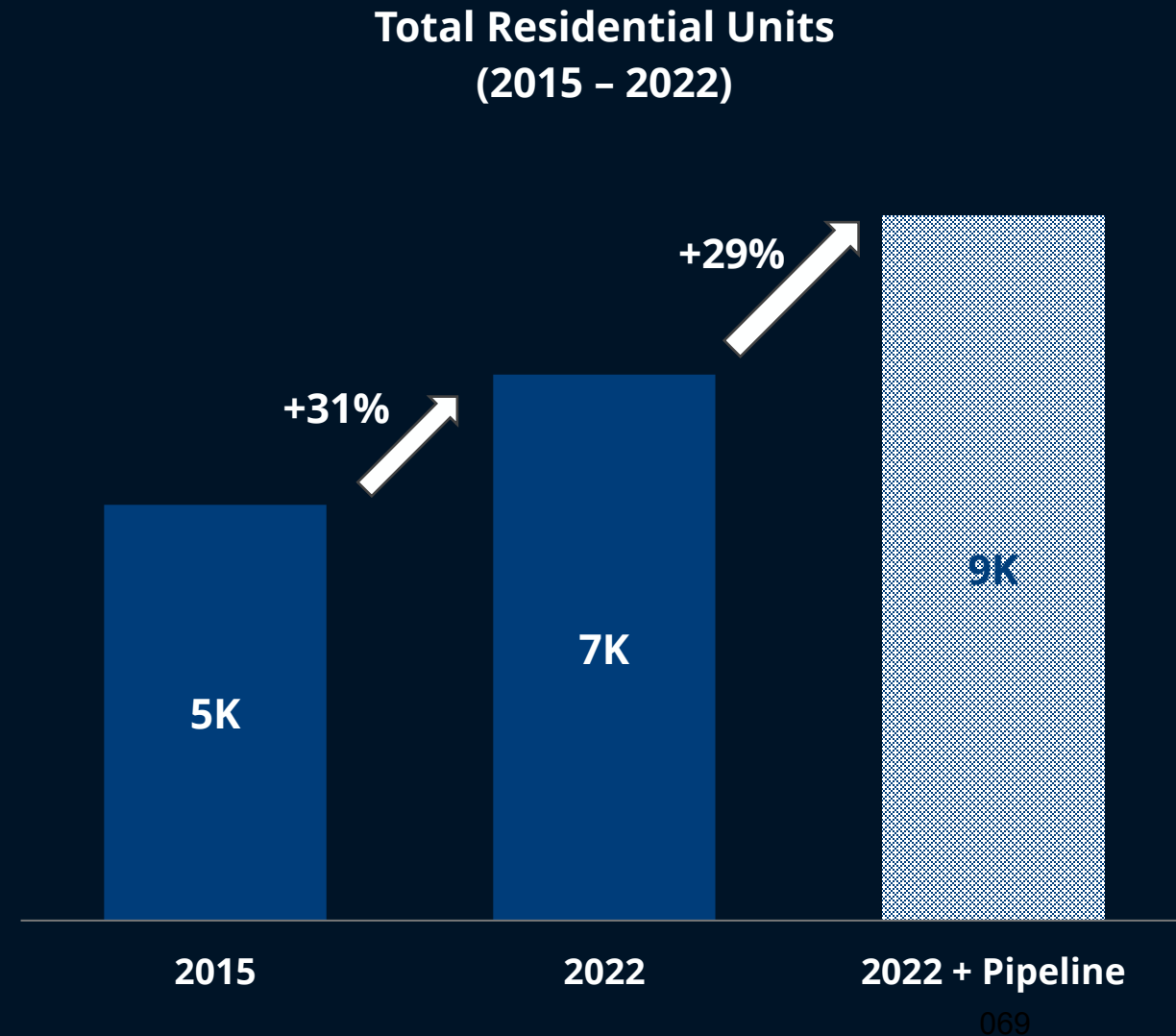
College Park is continuing to add housing through a strong pipeline of multifamily development targeting varying markets.

- Growth rate of residential units **higher than any of the peer markets** in our study
- **31% increase** since 2015 (1,700 units)
- **2,100 units** in the pipeline, including at least 450 affordable units and 120 student housing units

### Opportunity:

**Continue to grow and diversify housing stock and residential base in College Park**

Source(s): CoStar; City of College Park



## Single-Family Homes by Ownership

College Park, MD

### LIMITED HOMEOWNERSHIP OPPORTUNITIES

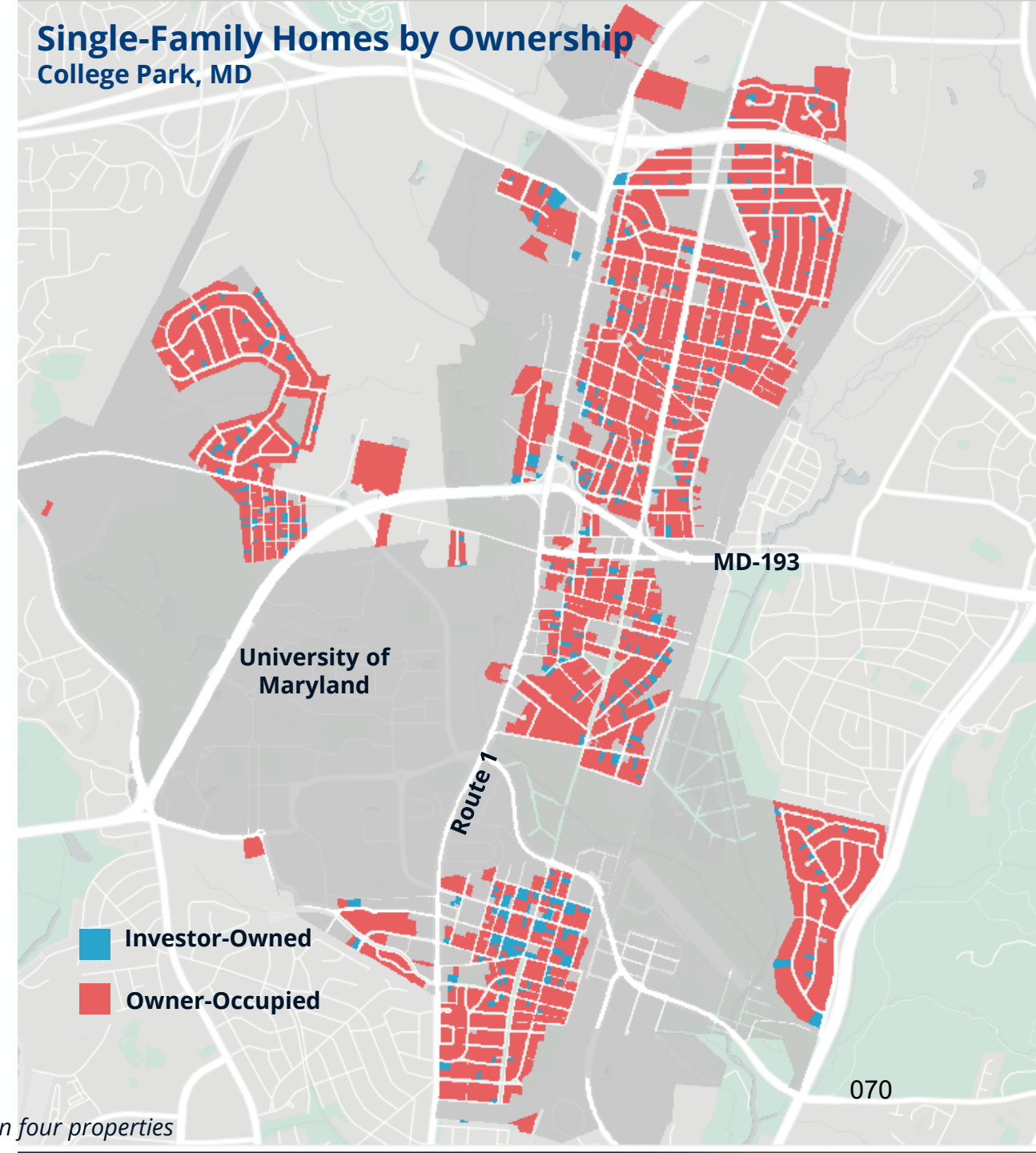
Number of owner-occupied units in College Park has remained relatively flat over the past five years.

- Number of owner-occupied units **increased by only 300 units** from 2016 to 2021
- **7% of single-family properties** in College Park appear to be owned by **investor owners**\*
- High concentration of investor-owners target students, potentially **putting pressure on existing and would-be homeowners**

#### Opportunity:

**Support adequate homeownership opportunities for current and future residents of College Park**

**Source(s):** Maryland State Department of Assessments and Taxation; HR&A Advisors  
**Note:** Investor owners are defined as corporate entities or individuals owning more than four properties





## SIGNIFICANT FUTURE INVESTMENTS

College Park has attracted significant public and private investment in recent years.

- Built environment (outside of SF homes) has **grown 50%+ in past 10 years**
- Recent and forthcoming projects include:
  - Discovery District
  - The Hotel @ UMD
  - Discovery Point
  - Aviation Landing

### *Opportunity:*

**Establish College Park's identity as a growing economic center in the Region**

## Aviation Landing College Park, MD





## CITY NOT FULLY BENEFITING FROM INVESTMENT

Despite this rapid increase in development, College Park has not benefited fiscally to the same degree as peers.

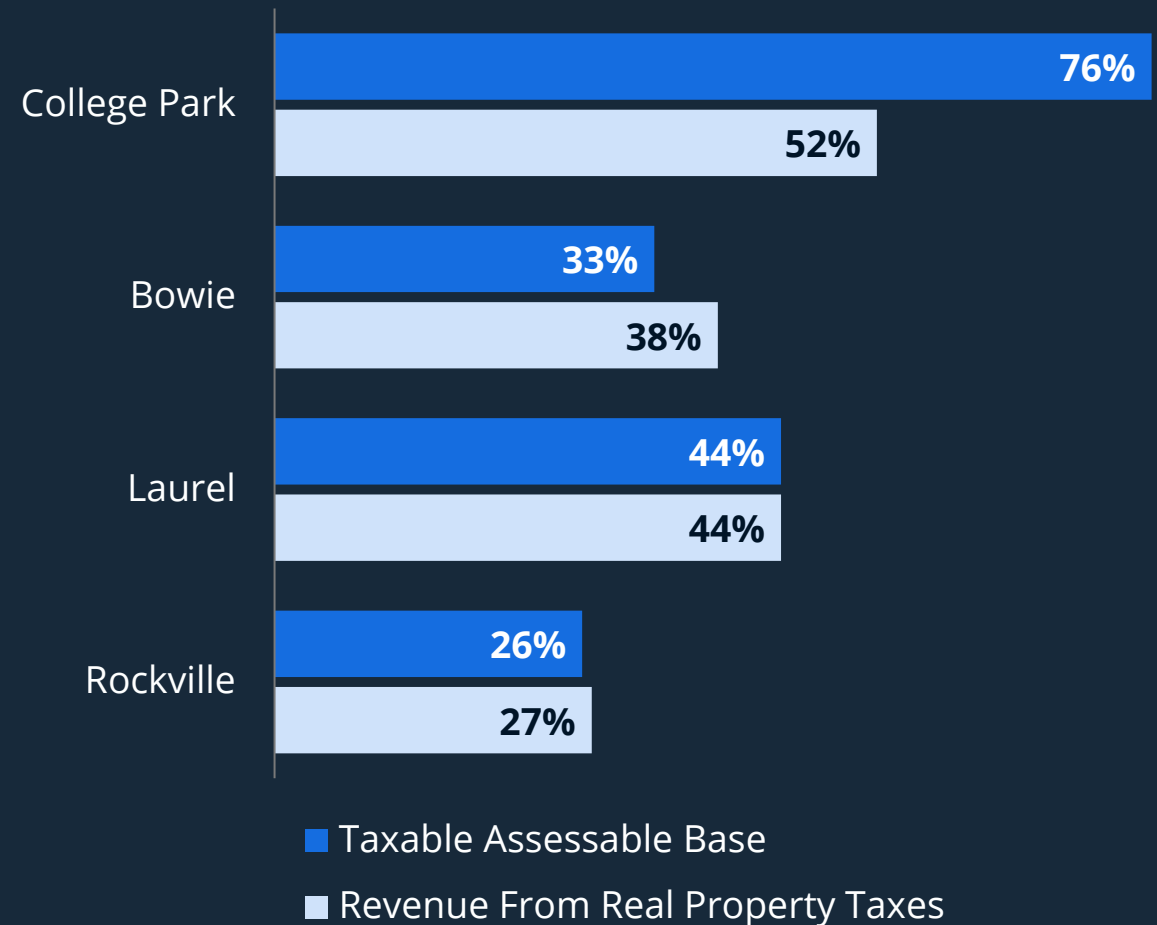
- **Taxable assessed value** for College Park has increased by **76%** since 2015
- City revenue from **real property taxes** has only increased by **52%** since 2015
- Other MD peers have experienced **increases in city property tax revenue more aligned** with increases in total assessed value

### Opportunity:

**Increase revenues to create a broad set of development programs, commercial resources, and resident services**

Source(s): FY 2015, 2023 Operating Budget; College Park, Bowie, Laurel, Rockville

## Change in Revenue from Real Property Taxes and Assessed Value (2015 – 2023)



## INCREASINGLY CONNECTED TRANSIT HUB

College Park is a growing transit hub, connecting residents to opportunities across the Baltimore-Washington corridor.

- College Park will soon be a nexus of WMATA's **Green Line and Purple Line** and **MARC**
- City will have **direct connections to opportunities** in Montgomery County, DC, Prince George's County, and Baltimore
- Current station area surroundings **lacks connection** to core of College Park
- Potential to further utilize **College Park Airport**

### Opportunity:

**Leverage location and improved infrastructure to attract new employers and residents to the region**



## ECONOMY RELIANT ON THE UNIVERSITY

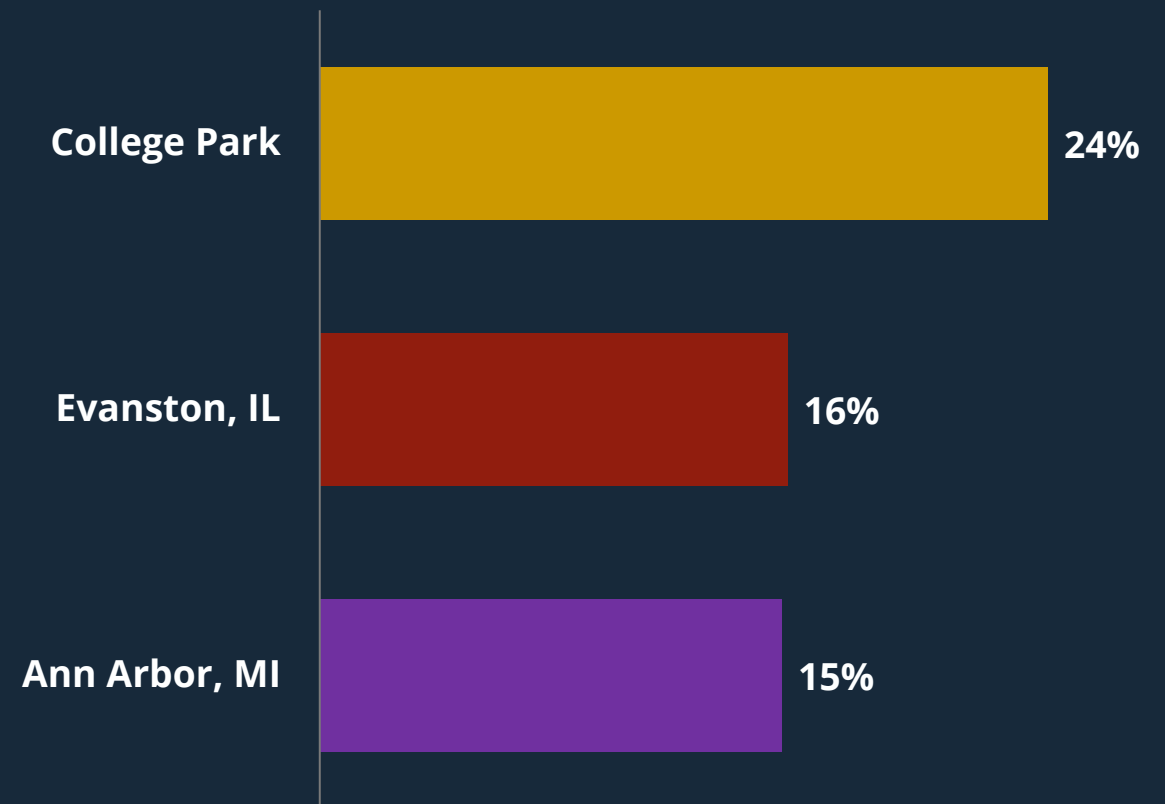
The College Park job base is heavily reliant on the University of Maryland.

- **24% of all jobs** in College Park are in “Educational Instruction and Library Occupations”
- The share of jobs in these occupations is **significantly higher in College Park** compared to other peer Big Ten markets
- Further developing a unique **identity will require a more diverse employment base**

### Opportunity:

**Grow and attract employers that desire proximity to UMD but are not dependent on the University**

## Share of Total Jobs in “Educational Instruction and Library Occupations” (2023)



## OFFICE TENANTS HEAVILY CONCENTRATED

The office market in College Park is dominated by a small group of business tenants.

- 1.5 million SF of office space, occupancy rate of 94.7%
- **42%** of the office market is occupied by **five largest tenants**
- NOAA and Cybrary **leases expire in next five years**
- 450,000 SF of office in pipeline will need to attract new tenants and **not compete with existing office** space, if vacated

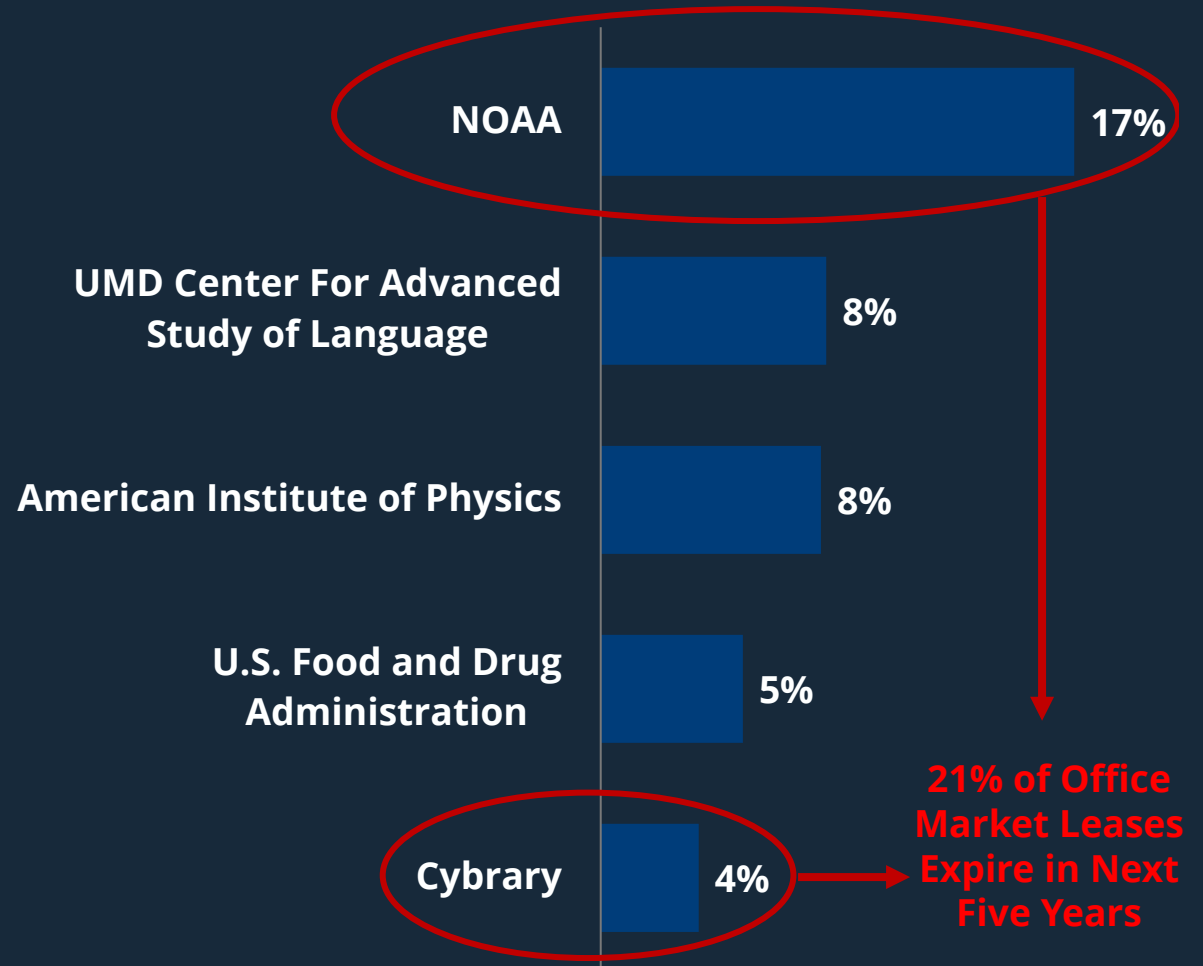
### Opportunity:

**Retain and attract new office-using tenants to College Park to deconcentrate office employment**

**Source(s):** CoStar; City of College Park

**Note:** excludes College Park City Hall, which constitutes 6% of the office market.

## Five Largest Office Tenants, by SF\* (2022)





## SALES FROM LARGE, DESTINATION RETAILERS

Sales from storefront businesses primarily come from larger footprint store types.

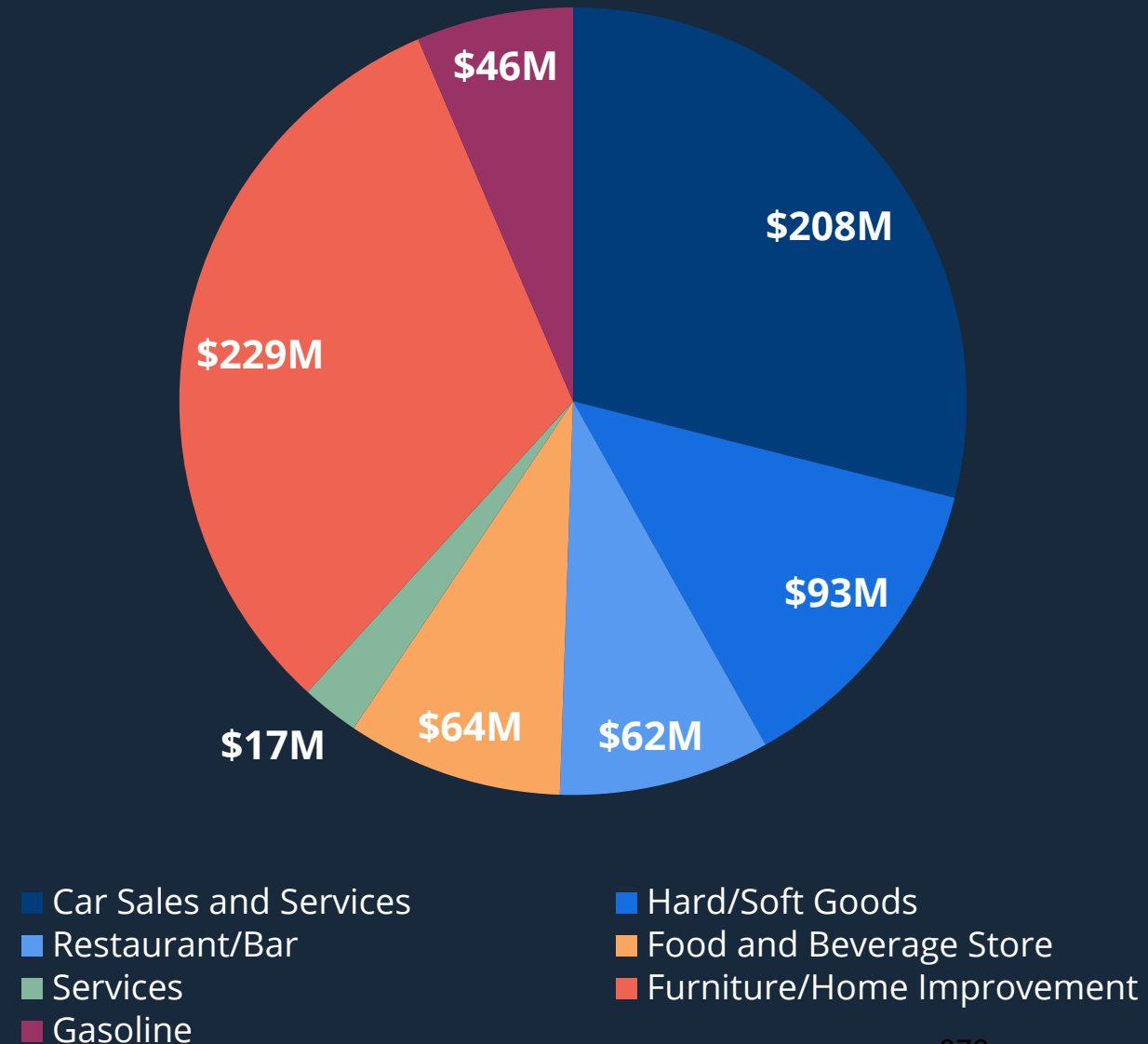
- **67% of sales** from storefront businesses come from cars sales/services, gas stations, and furniture/home improvement stores which are primarily located in **north College Park off the Beltway**.
- These businesses **draw patrons from outside local region**, but many of these **shoppers may not travel further into College Park** and **support other local businesses**.

### Opportunity:

**Attract visitors to destination retailers to visit other businesses in the City – particularly in Downtown and along Route 1**

Source(s): City of College Park

Storefront Sales By Type  
(2022)



## LIMITED ECONOMIC DEVELOPMENT TOOLS

Limited economic development tools are utilized by the City and would benefit from clear program evaluation metrics.

- **Revitalization tax credit program** is the main economic development tool for the City
- **Unclear framework** for tool implementation
  - Similar programs have established metrics of success, such as job creation
  - Peer **cities offer significantly more programs**, particularly those **targeted towards business attraction** and retention

### Opportunity:

**Define economic development goals, design programs to support these goals, and establish metrics to track progress**





## EXPAND CITY'S ECONOMIC DEVELOPMENT ROLE

The City's ED function can increase impact with an expanded role and partnerships

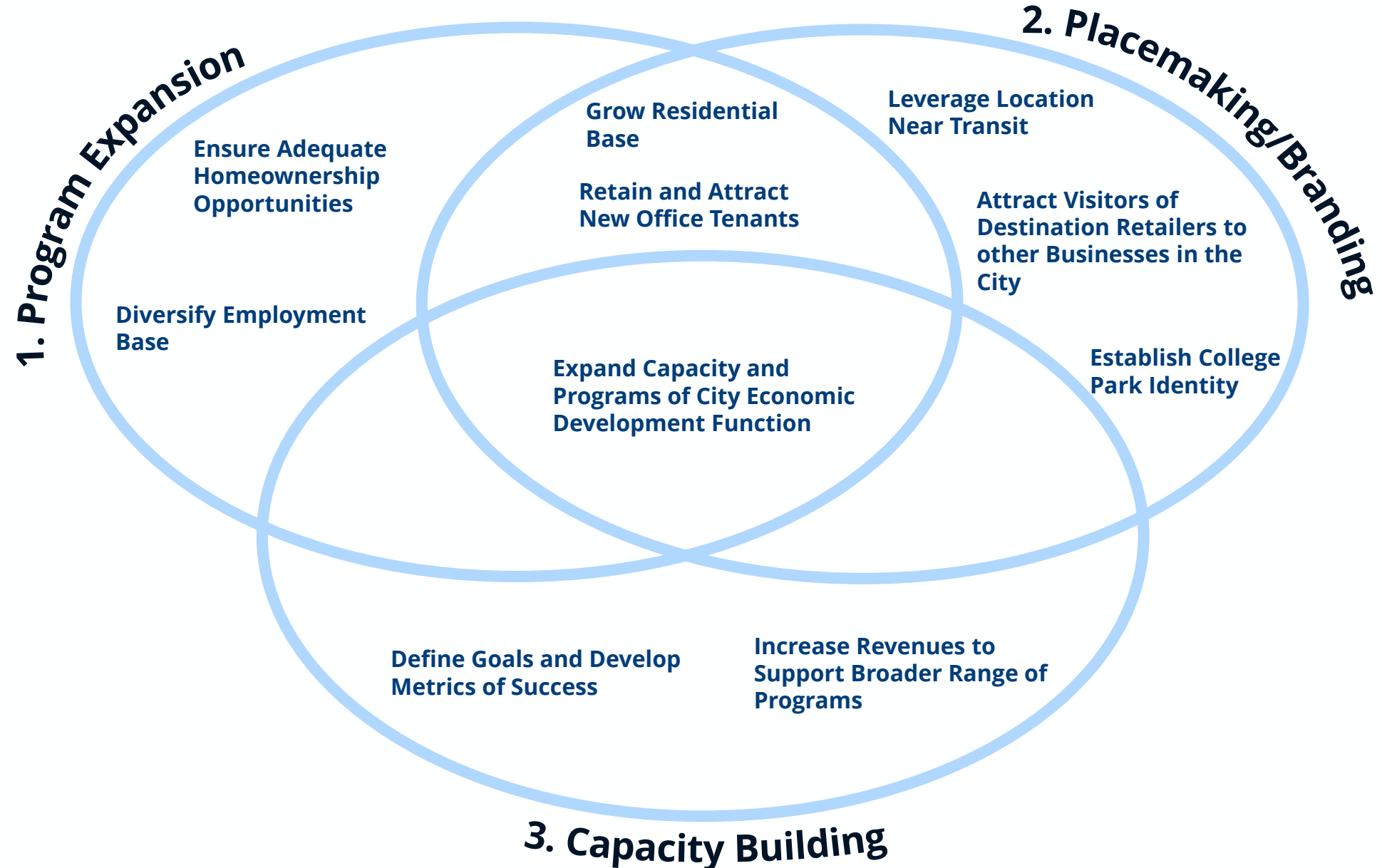
- The City has existing partnerships, such as **The Regional Institution Strategic Enterprise (RISE) Zone** with Riverdale Park, and **UMD and County EDC** to investment in Tech sector
- The City can **expand scope** to include additional programs such as **branding/marketing, placemaking, and additional programming**
- The City should continue **forming strong partnerships** with other **public and private** entities

### *Opportunity:*

**Expand capacity and programs offered by the City's economic development function**



## POTENTIAL STRATEGIES TO CAPITALIZE ON OPPORTUNITIES





## DISCUSSION

- **Are there other opportunities or challenges facing College Park today?**
- **What opportunities are most exciting? What challenges seem most difficult to overcome?**
- **How would you define College Park's identity today? What do you want it to be in the future?**
- **What does a successful economic development strategy accomplish?**
- **What stakeholders and partnerships are most critical for success?**



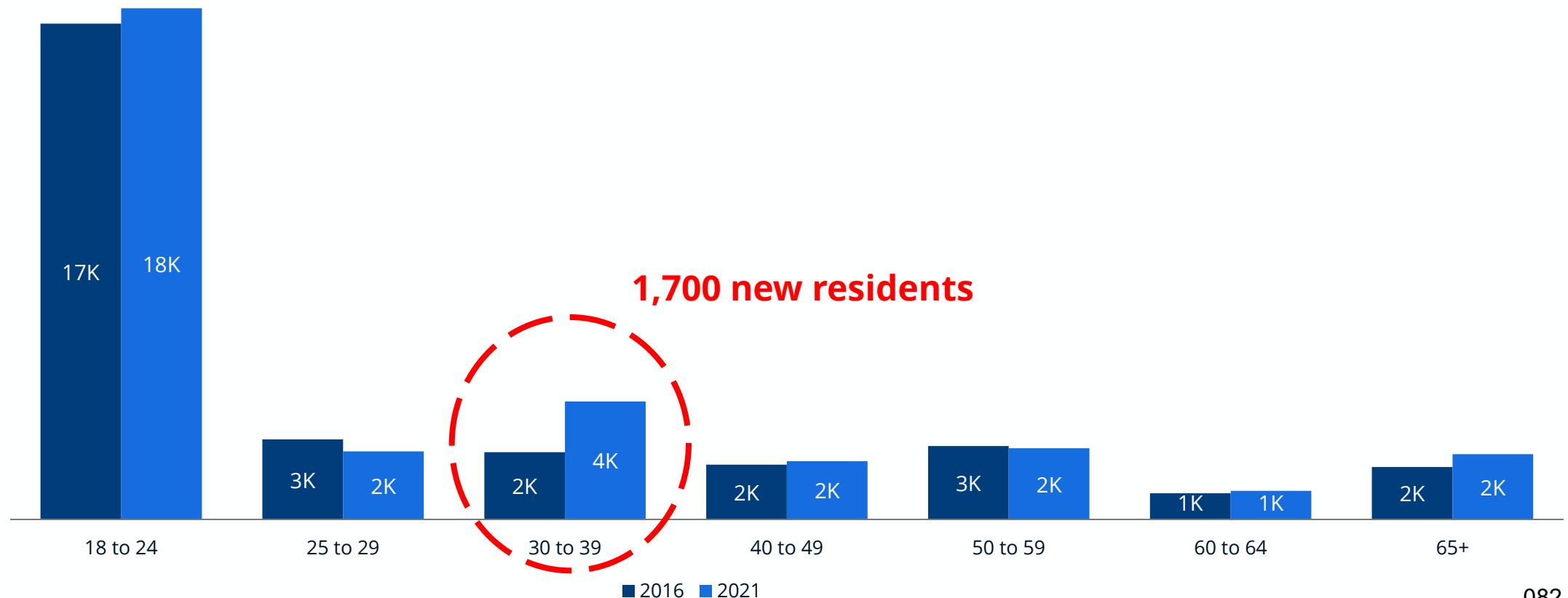
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# Appendix – Supporting Analysis

## APPENDIX | DEMOGRAPHICS

College Park's population increased by approximately 3,000 residents since 2016, driven mostly by a 75% increase in residents aged 30 to 39.

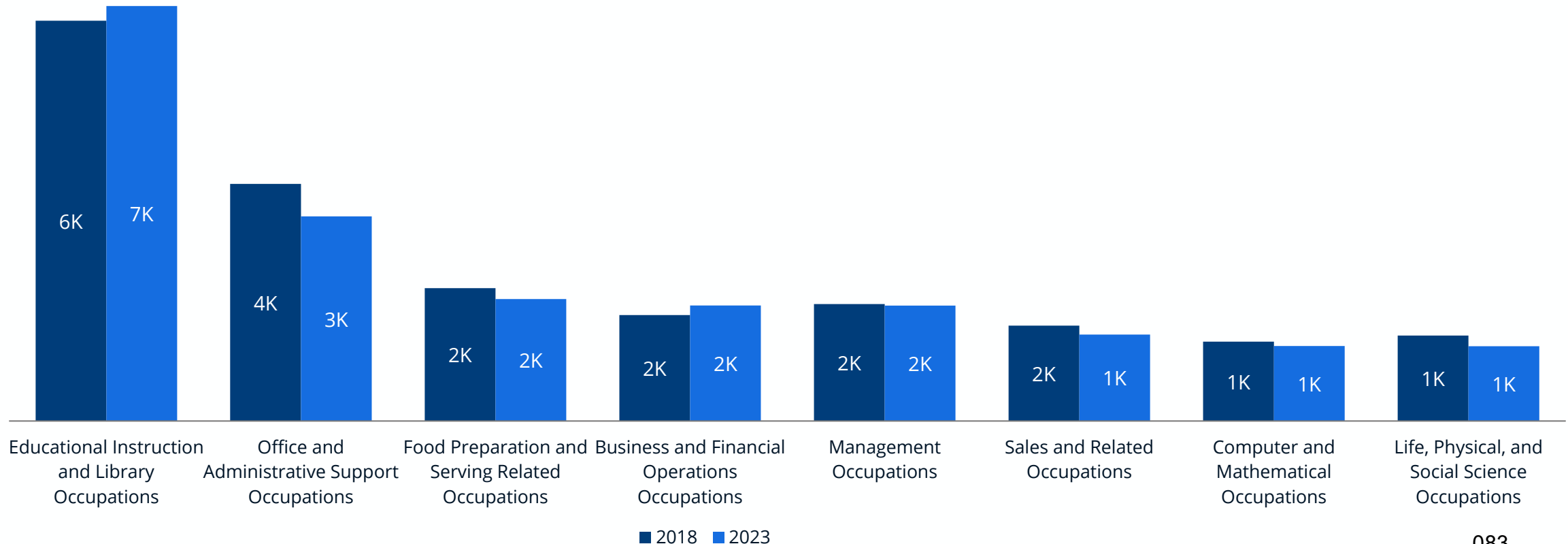
### Population Change, by Age (2016 - 2021)



## APPENDIX | ECONOMIC BASE

“Educational Instruction and Library Occupations” is the largest industry in College Park, and one of the few industries that has added jobs in recent years.

### Total Jobs, by Industry (2018 - 2023)





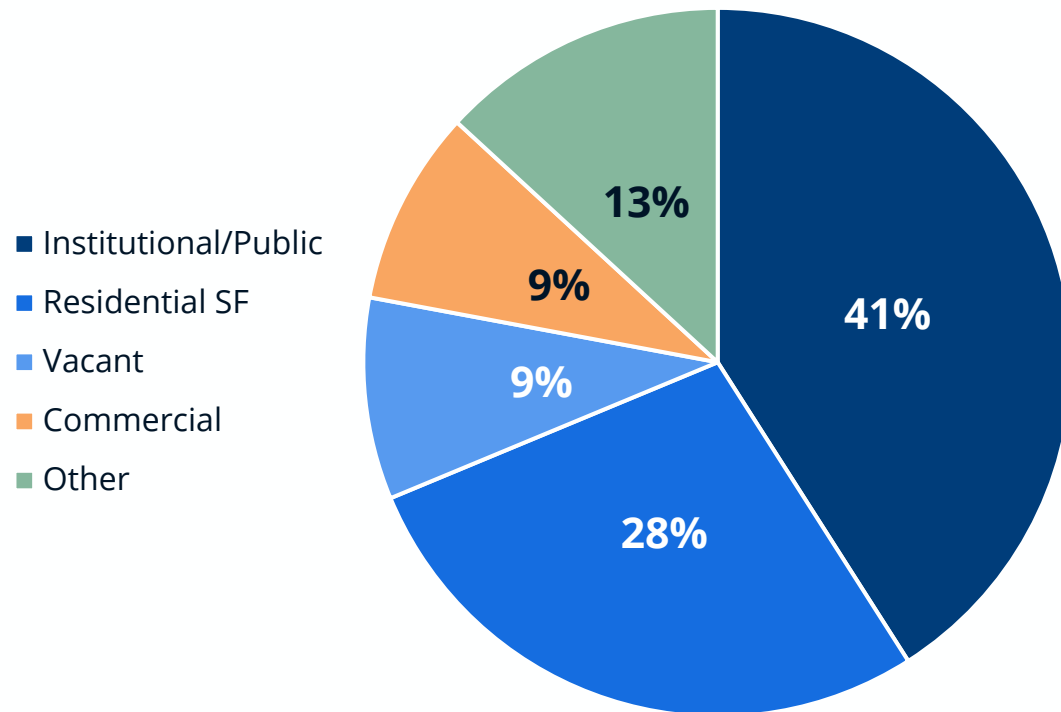
## Properties by Land Use (2022)

College Park, MD

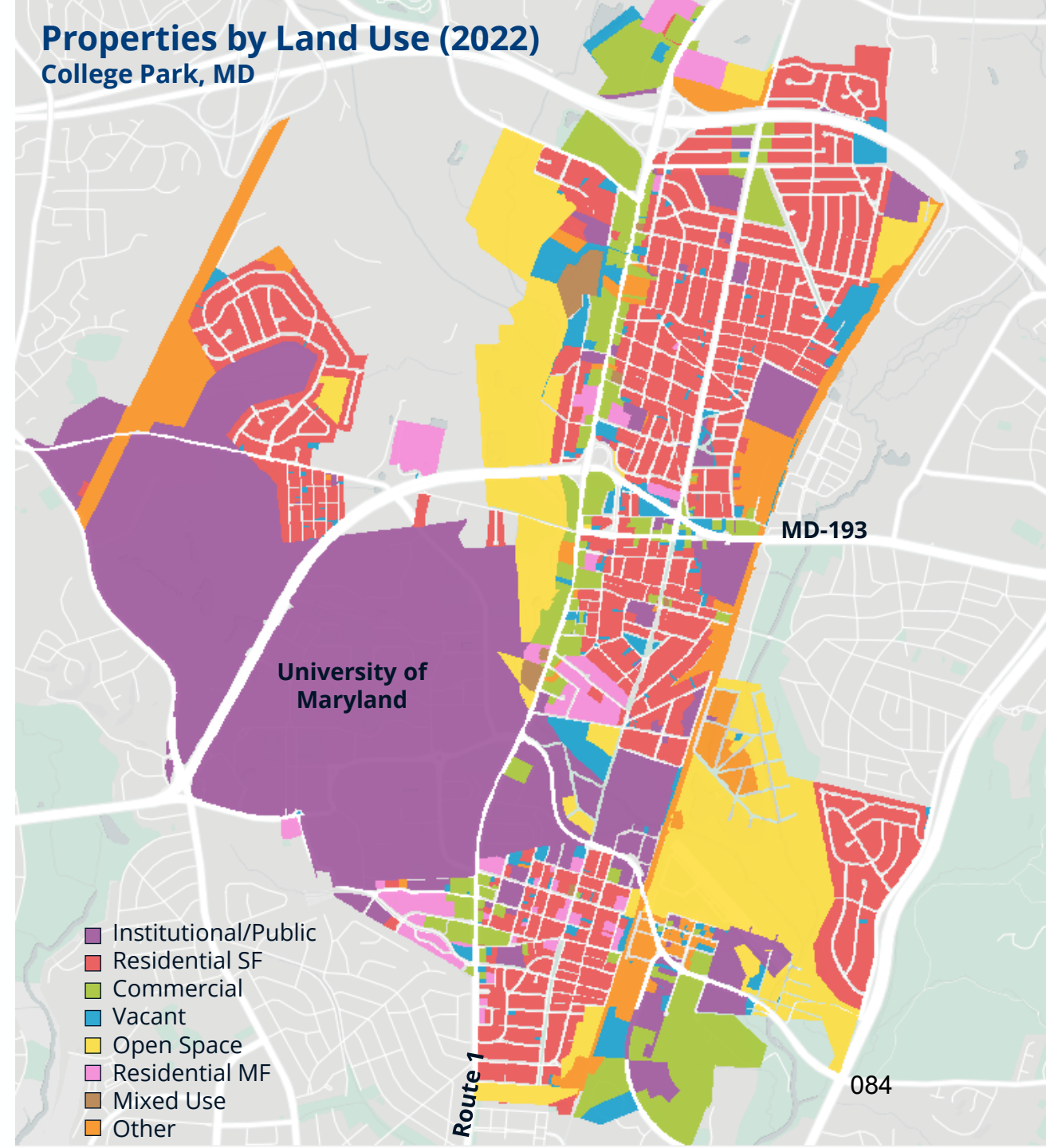
### APPENDIX | LAND USE

Nearly 70% of the land area in College Park is either single-family homes or is owned by the University of Maryland.

### Acreage by Land Use (2022)



Source(s): Maryland State Department of Assessments and Taxation



## APPENDIX | PACE OF NEW DEVELOPMENT

The recent pace of new development in College Park is unprecedented, with over new 1,700 residential units, 90K office SF, and 400 hotel rooms built since 2015.

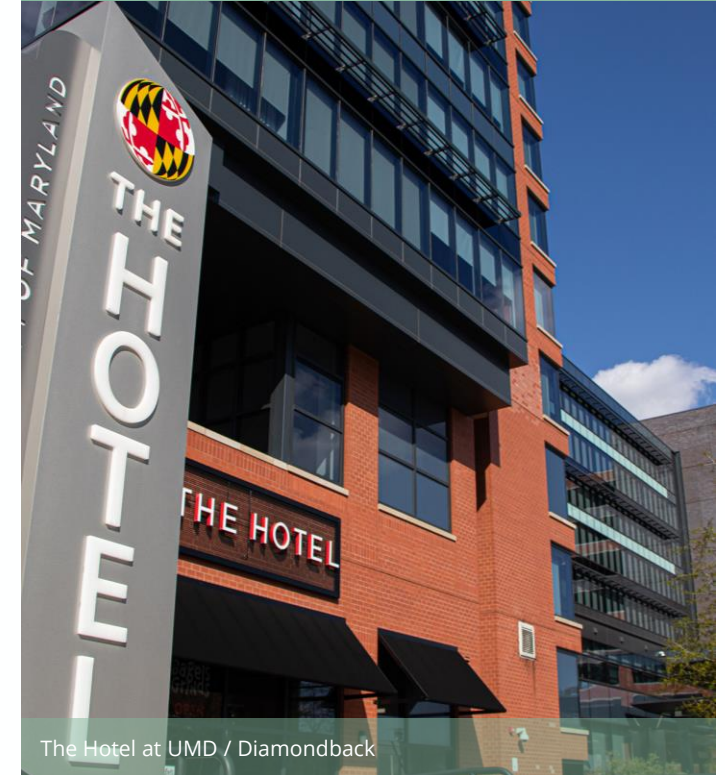
### MULTIFAMILY + MIXED USE



### COMMERCIAL



### HOSPITALITY





## APPENDIX | DEVELOPMENT PIPELINE

There is a continued, strong pipeline of development in College Park.

- Over 2,100 dwelling units and 500,000 SF of commercial space are planned or currently under construction in College Park.
- Notable pipeline projects include:
  - Atworth (Affordable Multifamily)
  - Aviation Landing (mixed-use, research hub)
  - Discovery Point (mixed-use, Class A office)
  - Union on Knox + The Hub (Multifamily)



## APPENDIX | COMMERCIAL CORES

College Park has five main commercial cores – each with its own unique character.



### North College Park

Primarily box-box retail and car dealerships. Some smaller scale office and retail.



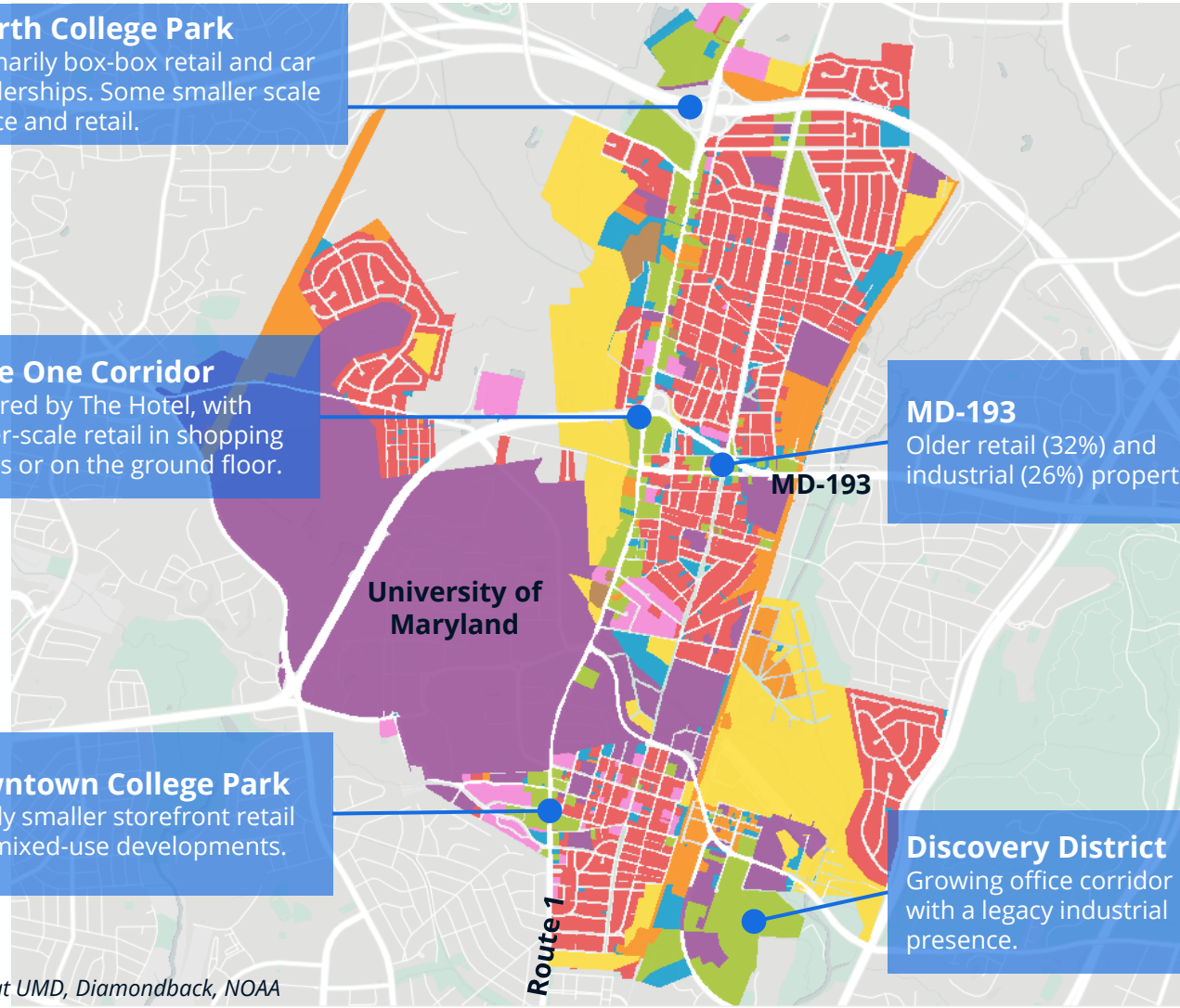
### Route One Corridor

Anchored by The Hotel, with smaller-scale retail in shopping centers or on the ground floor.



### Downtown College Park

Mostly smaller storefront retail and mixed-use developments.



- Institutional/Public
- Residential SF
- Commercial
- Vacant
- Open Space
- Residential MF
- Mixed Use
- Other

### MD-193

Older retail (32%) and industrial (26%) properties.



### Discovery District

Growing office corridor (43%) with a legacy industrial presence.



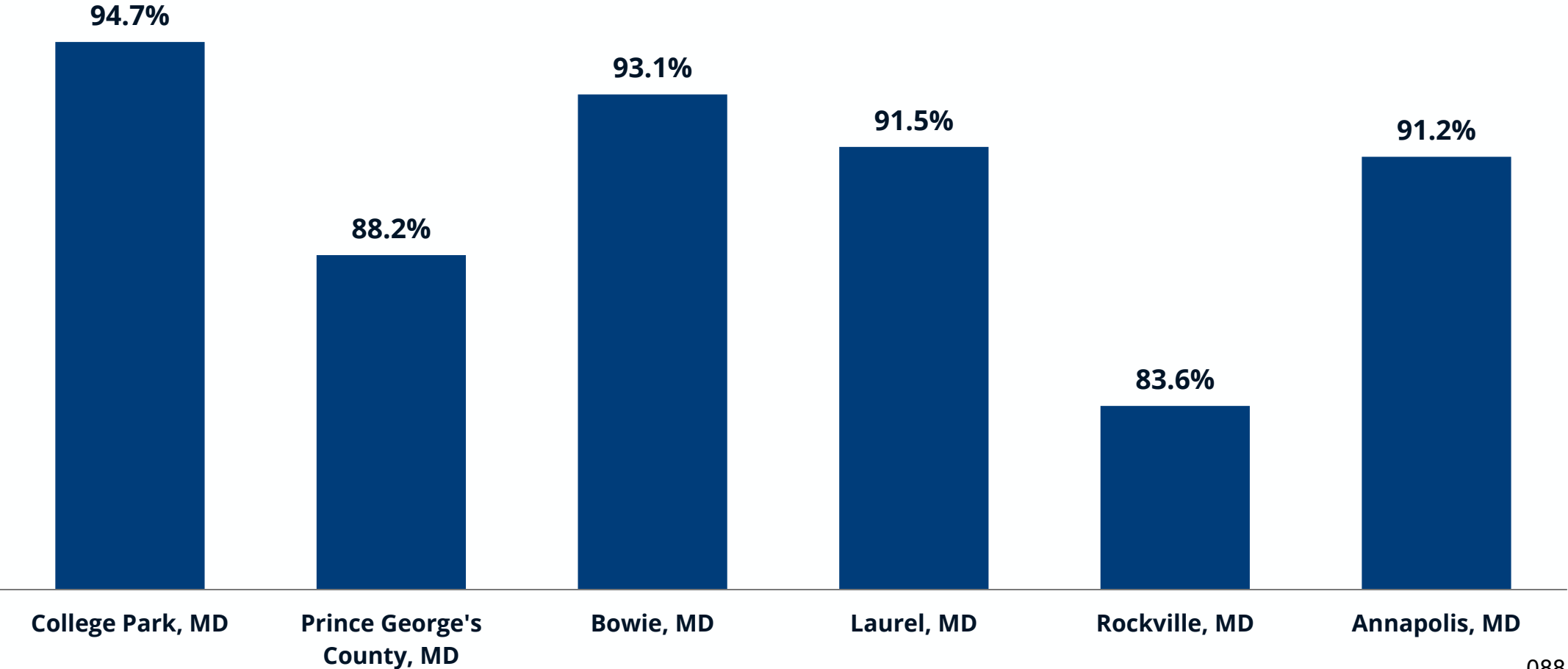
Source(s): CoStar; College Park Life, The Hotel at UMD, Diamondback, NOAA



APPENDIX | COMMERCIAL REAL ESTATE

Office occupancy in College Park is 94.7%, higher than all other peer markets with rents of \$27.06 per SF, the median amongst local markets.

Occupancy Rate, Office (2022)

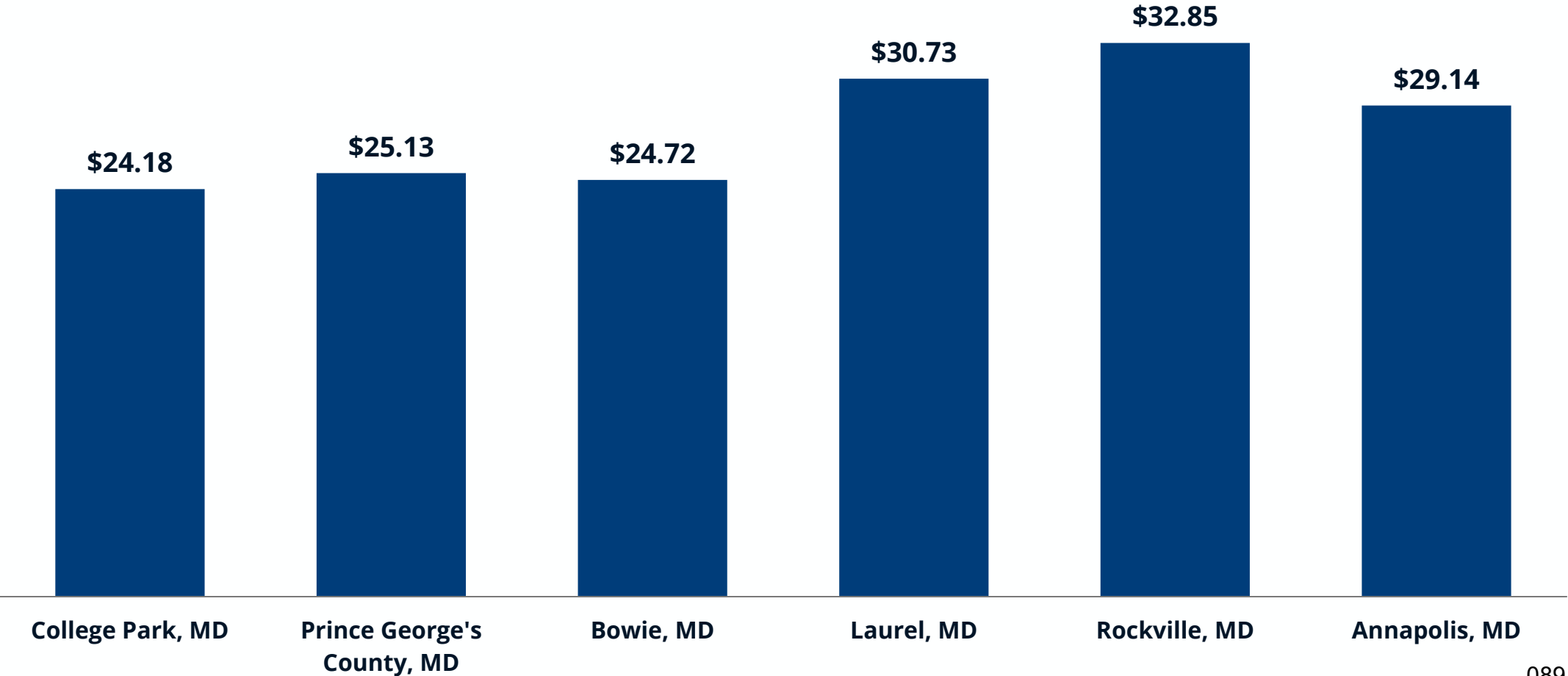


Source(s): CoStar

APPENDIX | COMMERCIAL REAL ESTATE

Rents for retail spaces in College Park average \$24.18 per SF, the lowest rent of among peer markets. However, retail occupancy is 96.5%, higher than all other peer markets.

Average Rent per SF, Retail (2022)

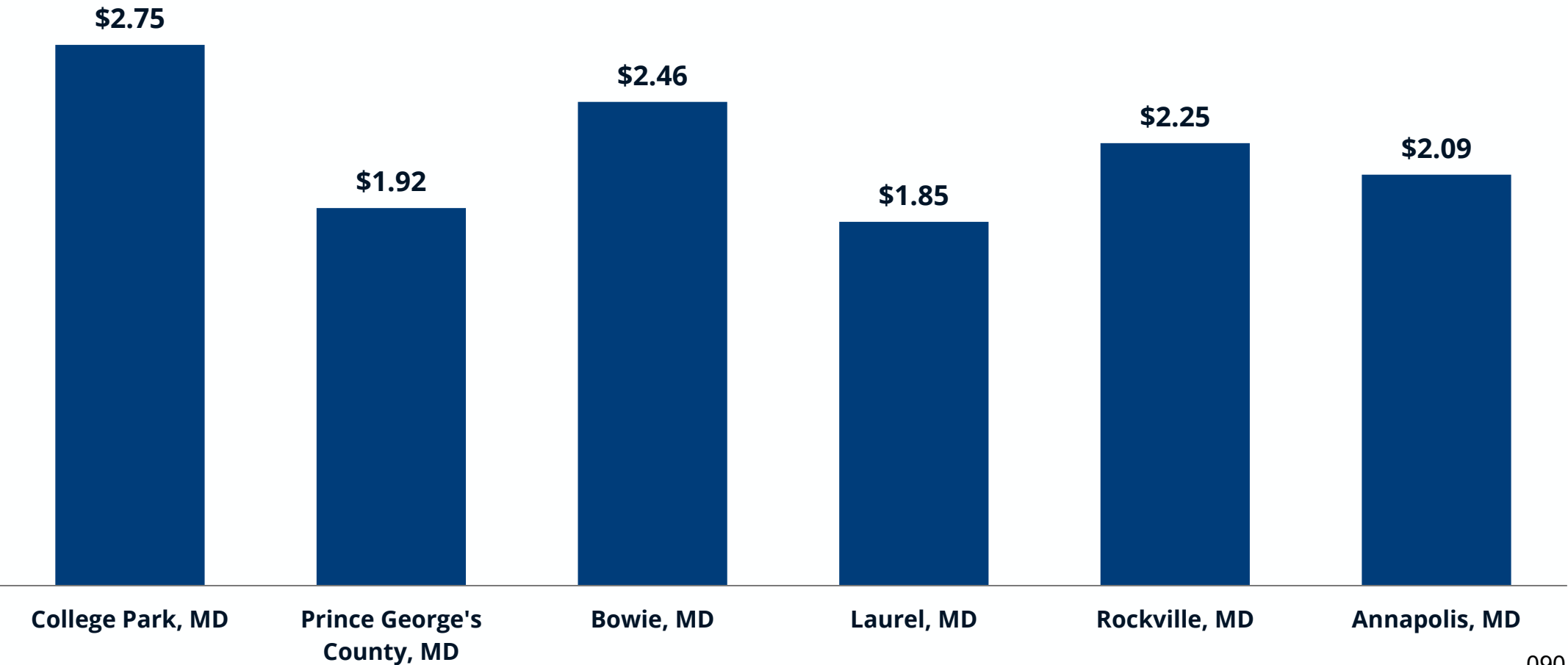


Source(s): CoStar

APPENDIX | RESIDENTIAL REAL ESTATE

The City still has also has an asking rent of \$2.75 per SF, the highest of all peer markets, partially driven by high concentration of newly constructed units.

Average Rent per SF, Residential (2022)



Source(s): CoStar

## APPENDIX | ECONOMIC DEVELOPMENT TOOLS COMPARISON

There are opportunities for the City to expand current program offerings to better align with peer markets.

	College Park, MD	Maryland Cities				College Cities	
		Bowie, MD	Laurel, MD	Rockville, MD	Annapolis, MD	Evanston, IL	Ann Arbor, MI*
<b>Tax Increment Financing (TIF) Districts</b>						X	
<b>Building/Storefront Improvement Grant</b> <i>Funding for property/business owners to improve the appearance and functionality of their space</i>			X			X	
<b>Business Relocation Grant Program</b> <i>Incentivize businesses to move to/expand into the City. Can be restricted to exclude retail/restaurant industry.</i>			X	X			
<b>Legacy Business Program</b> <i>Funding or other support for businesses that have been located in the City for many years.</i>			X			X	
<b>Small Business/Entrepreneurship Funding</b> <i>Funding to specifically support entrepreneurs or qualified small- and medium-sized businesses.</i>				X		X	
<b>Targeted Corridor Programs</b> <i>Offer benefits such as tax credits, reduced building permit fees, and expatiated site plan reviews in priority sections of the City.</i>	X		X		X		
<b>Public-Private Economic Development Entity</b>	X College Park City- University Partnership			X Rockville Economic Development, Inc.			X Ann Arbor Economic Development Corporation

\* The majority of economic development tools in Ann Arbor are operated by a regional economic development entity, Ann Arbor SPARK.



## APPENDIX | TAX CREDIT COMPARISON

The revitalization tax credit was designed to attract high-quality redevelopment to designated nodes within College Park.

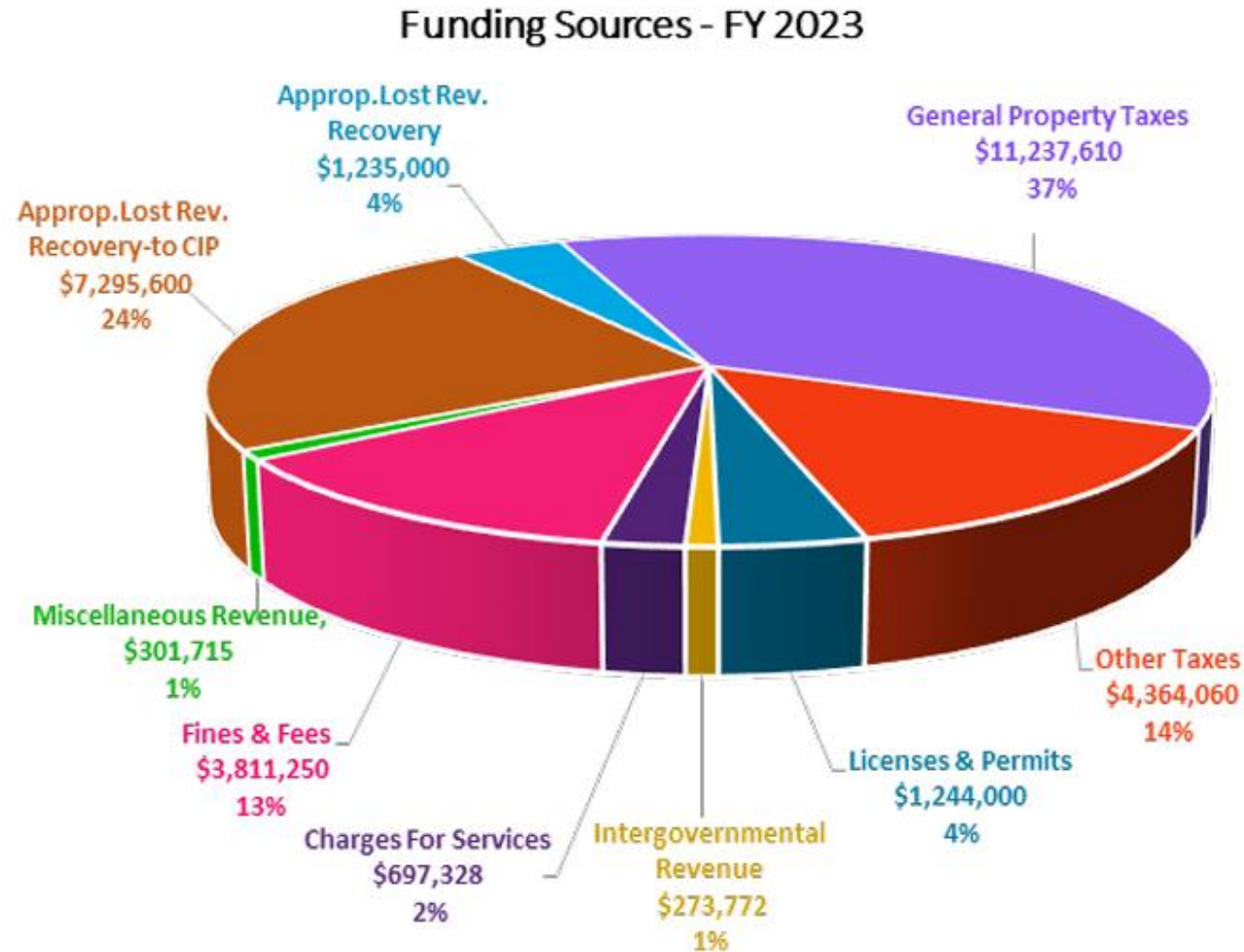
- Program Eligibility requirements:
  - Located in revitalization district
  - Be in good standing with the City
  - Not located in a TIFF district
- Once given, there are no ongoing requirements businesses are required to meet to stay eligible for tax credit
- Unclear metrics to track success of the program

Tempo  
College Park, MD



## APPENDIX | BUDGET

The majority of the City's revenue comes from General Property Taxes, which are based on assessed property values.



APPENDIX | BUDGET

College Park is not capturing property tax revenue from new development to the same degree as other peer markets.

Ratio of Assessed Value to Revenue from Property Taxes (2015 - 2023)

	College Park	Bowie	Laurel	Rockville
For every \$1 increase in assessed value, revenue from real property taxes increased by ...	\$0.002	\$0.004	\$0.007	\$0.003

Source(s): Costar; FY 2023 Operating Budget; College Park, Bowie, Laurel, Rockville  
Note: Assessed Value data unavailable for Annapolis, MD.

APPENDIX | BUDGET

The real property tax rate in College Park has decreased since 2015, whereas the tax rates of all other local peer markets has remained flat or increased.

Real Property Tax Rate, by Year (2015 - 2023)

	College Park	Bowie	Laurel	Annapolis	Rockville
2015	.335	.4000	.7100	.649	.292
2023	.3018	.4000	.7100	.7380	.292

Source(s): FY 2015, 2023 Operating Budget; College Park, Bowie, Laurel, Annapolis, Rockville