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Public Comments Session Tues, 2/27/24 – Economic Development

As we're entering budget season, I'd like to draw your attention to some critical components of Economic Development.

In the interest of full disclosure, and I believe most of you know this – I previously served as Chief of Business Development within the Charles County Economic Development Department, mostly overseeing marketing and business attraction, from 2011 – 2017.

First – why do we do Economic Development? Why do governments spend hard-earned taxpayer monies on Economic Development?

There are two (2) major benefits that motivate this investment:

1. Increase in commercial Tax Base
2. Job growth – especially well-paying jobs

Commercial Tax Base: Generally, the cost of government services that we residents use is greater than what we pay in taxes. By contrast, businesses generally pay more in taxes than the cost of services they use. [Among other things,] this speaks to the need for an increasing commercial tax base as the county's population rapidly grows.

Job Growth: The benefits of job growth go way beyond the obvious benefits income taxes received by the county and places for residents to earn a good living.

**Location decisions are competitive** and often made regionally - typically not by county borders – and locations are selected because they put the business within proximity of certain things that are uniquely **valuable to that business**. This applies to both attracting new businesses and also the retention and growth of existing businesses.

To gain those benefits of increased commercial tax base and job growth, we **must consider what businesses need**. with respect to...

1. Access to customers
2. Access to sites
3. Access to workforce

1. Access to customers. This means very different things to different businesses, and keep in mind there is a dramatic difference in the customer base when the firm serves consumers versus one that serves businesses.

For example, a brick & mortar retail business needs a certain number of customers within a given geographic area, typically a radius. A business that serves other businesses will have entirely different customer requirements, for example a government contractor may want access to “The Flagpole” – a reference to DC, or to certain government offices or military installations.

2. Access to sites. Does a location have the right type and amount of space a business needs, whether office, industrial, retail, or raw land? Does that location provide access to business-specific criteria such as road infrastructure, broadband capacity, or high volumes of water? (Without the latter, which used reclaimed water, the CPV power plant would not have located here.)

Readiness is a HUGE factor, and location decisions are lost by counties for not having the right built product or zoned land with infrastructure ready for a business to tailor to their needs.

3. Access to talent / workforce. Are enough people available - within a reasonable commuting distance - who have the education, skill sets, and experience needed to sustain a particular business type?

There are other needs, but these 3 are critical.

In this competitive world of Economic Development, these components and others collectively define our “Product,” and what we are trying to sell - our ultimate product - is Charles County as a location for business.