

MEMORANDUM

TO: City Council

FROM: Alfred D. Lott, ICMA-CM, CPM
City Manager

SUBJECT: *Status Report* DATE: May 10, 2018

Status Report

1. Economic Development Committee (EDC)

The EDC held their regular meeting Wednesday where they heard a briefing from Economic Development Intern Syed Rizvi on Bowie's Businesses using data he aggregated and analyzed from existing City published information. A copy of the presentation slides is attached.

County Councilman Todd Turner also spoke to the EDC and provided an update on County matters. Three areas of particular interest to the EDC are:

- (1) Comprehensive Housing Strategy Public Meeting - May 16th. Also please provide the link to the County Council CHS webpage for additional information on the Ad-Hoc Committee and Advisory Group – <https://pgccouncil.us/583/Comprehensive-Housing-Strategy>;
- (2) County Comprehensive Housing Strategy Business Focus Group Meeting on May 14th in Largo; and
- (3) County Council Zoning Rewrite. Details are here – www.pgccouncil.us/ZOR

The EDC is working on recommendations to the City Council derived from their study of Bowie's businesses.

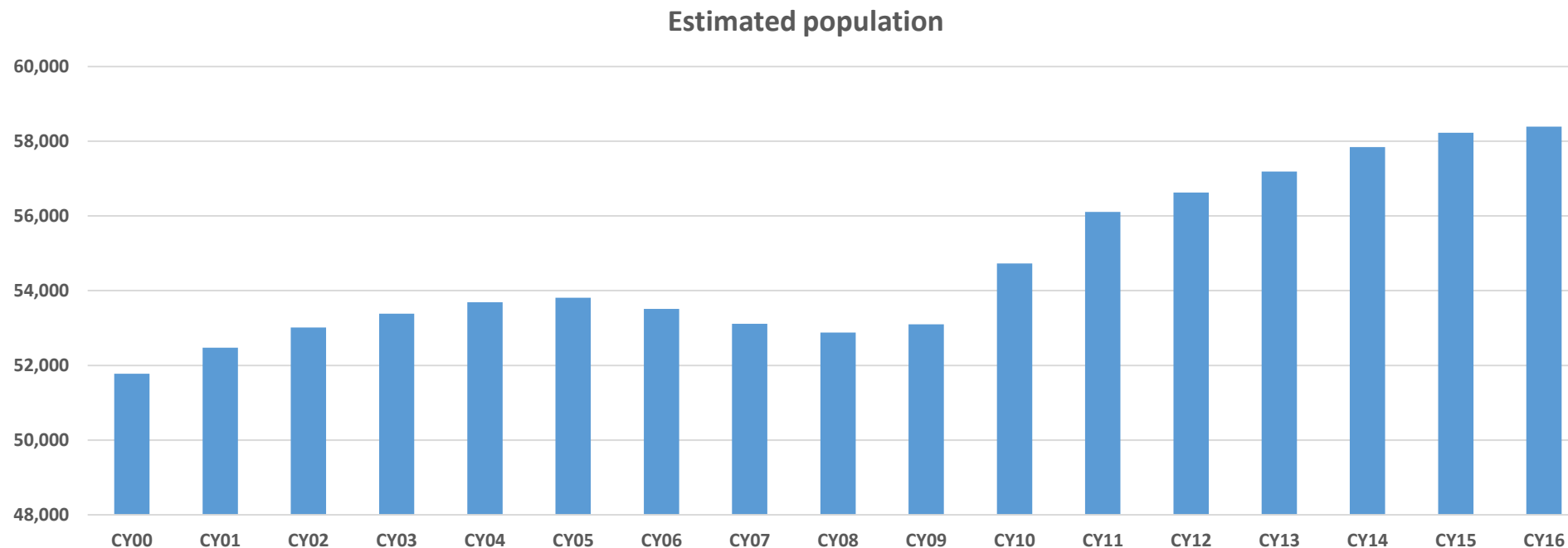
The next EDC meeting is Wednesday June 13 at 7:30 AM at City Hall.

ADL/lfr
Attachment

Bowie's Businesses: A City Economic Development View



Population Changes in Bowie



Source: U.S Census

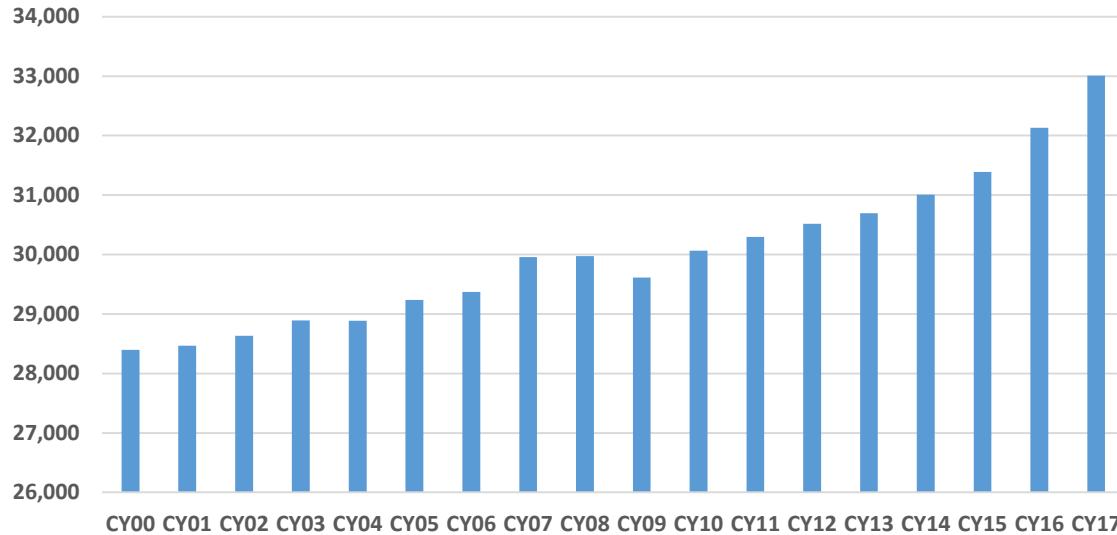
- Continued increase in population through the first decade with an annual population growth rate of 8.9%
- 6.7% annual growth rate since 2010 in Bowie
- Growth rate for Prince George's County during the first decade was 7.7%, decreasing to 5.7% since 2010
- In both 2000 and 2017, Bowie accounted for approximately 6% of Prince George's County population

Why is this important?

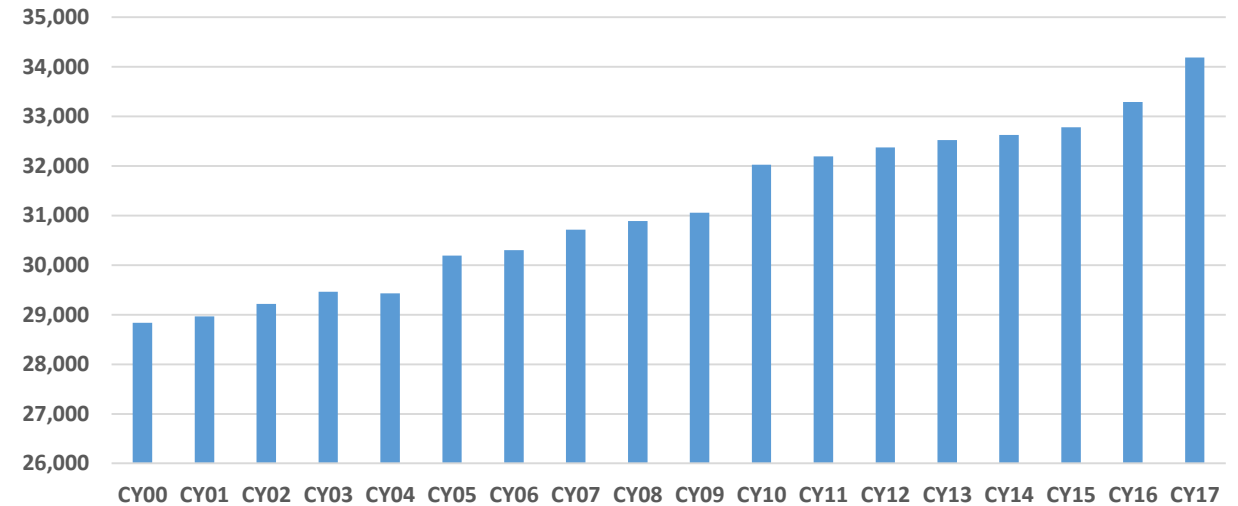
- Population change and growth allows us to understand the size of the city, its consumption base and opportunities for retail businesses

Bowie Employment and Labor Force

Annual Employment



Annual Labor Force



Source: Bureau of
Labor Statistics

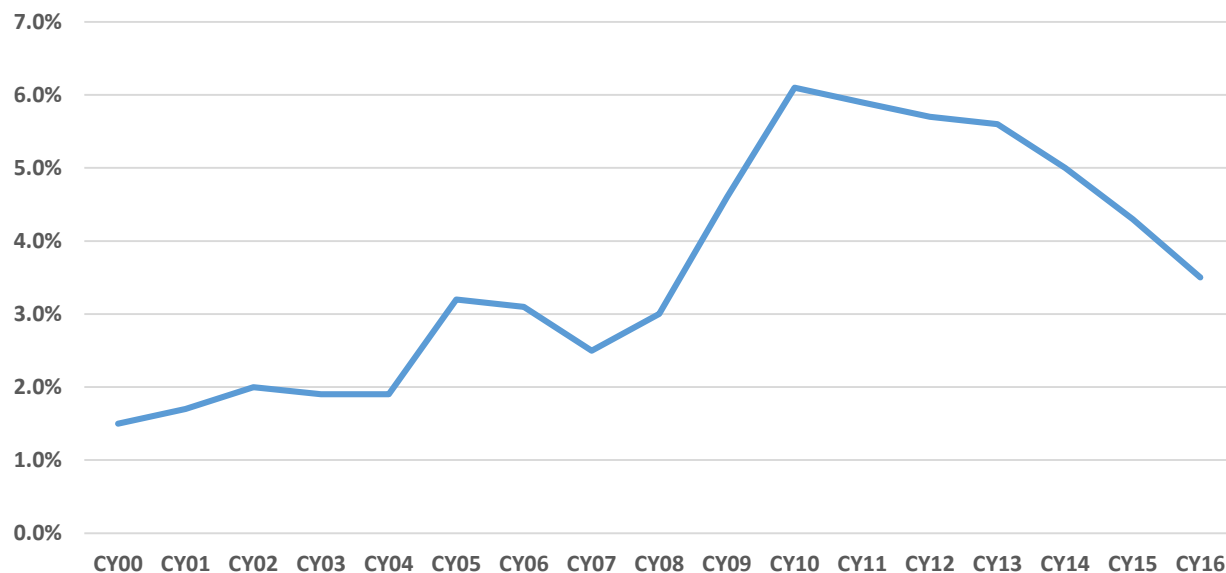
- 5.9% increase in employment during the first decade and a 9.8% increase since 2010
- 11.1% increase in the labor force in the first decade and a 6.8% increase since 2010
- Strong growth trend observed in both indicators throughout the period

Why is this important?

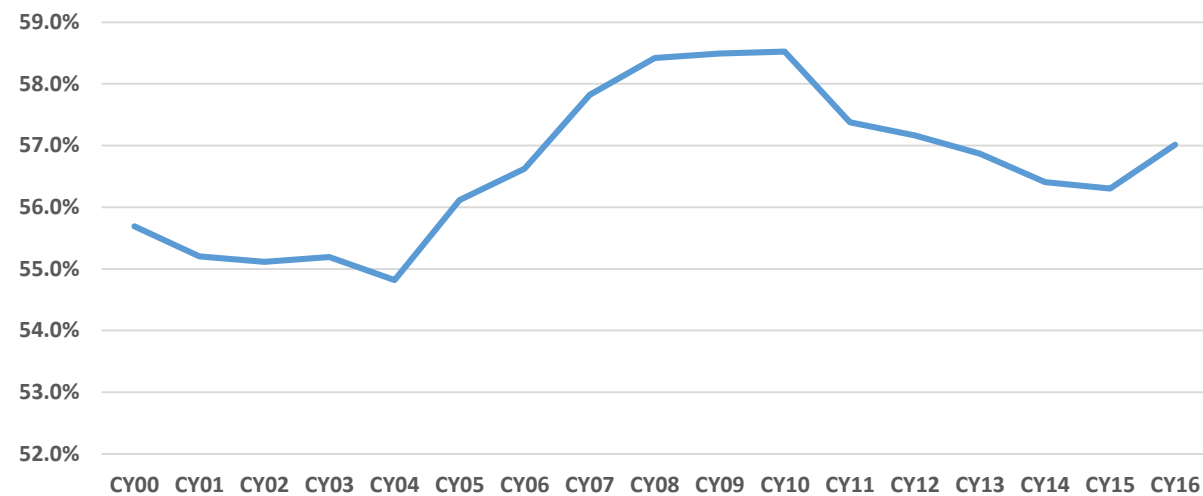
- These indicators help measure the growth of jobs and productive capacity
- A steady increase in these measures supports overall economic stability
- Growing labor pool for the Bowie economy

Unemployment and Labor Force

Annual Unemployment Rate



Labor Force Participation Rate



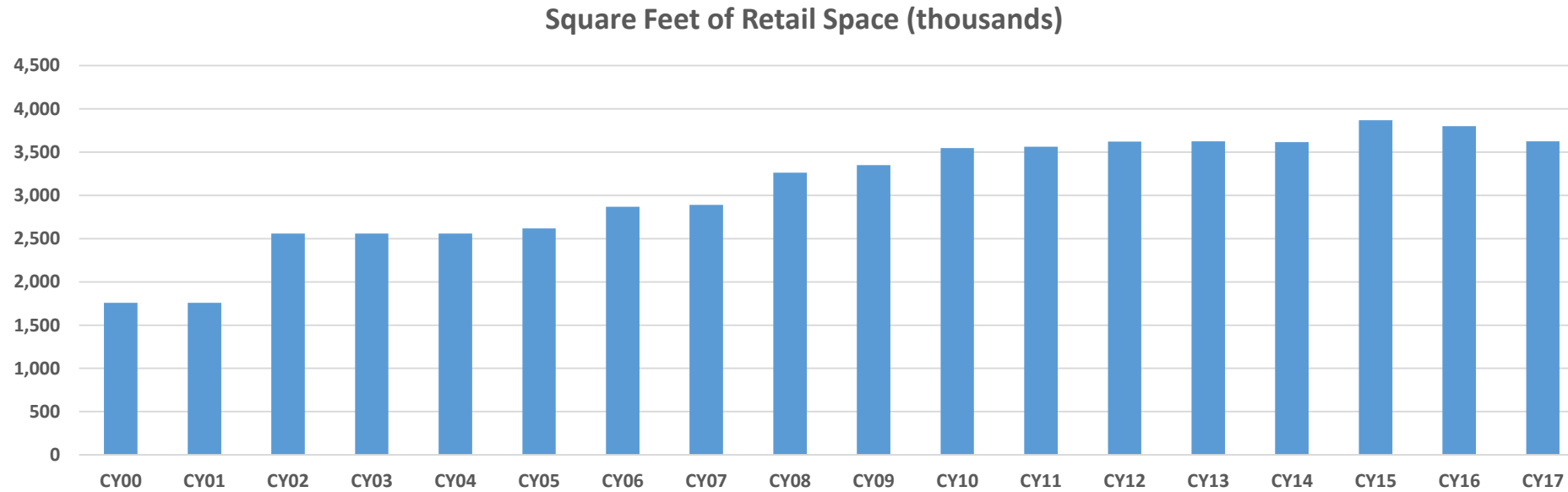
Source: Bureau of
Labor Statistics

- Unemployment rate continued to decline after peaking in 2010 at 6.1% amid the Great Recession, reaching 3.5% in 2017
- 4.5-5% is generally considered full employment but Bowie's unemployment rate history and trend suggests the number is lower in Bowie
- Labor Force participation trend has steadily continued to increase since 2006, reaching 61% in 2017

Why is this important?

- Unemployment rate indicates the ability of residents to find a job and generate income
- Labor Force participation measures people employed or looking for employment as a percentage of total population
- The labor force participation rate measures the health of the labor market and the availability of workers in Bowie

Retail Space In Bowie



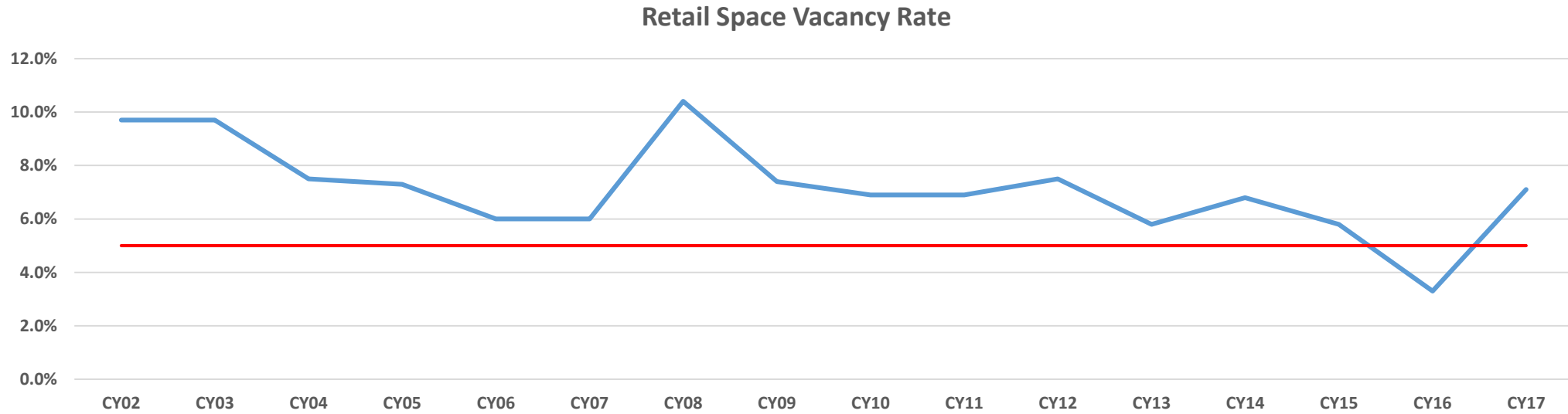
Source: CoStar from City of Bowie Budget

- Approximately 3.6 million sq. ft of Retail Space available in 2017

Why is this important?

- Allows us to understand the growth of Retail space over time and where Bowie stands today

Retail Space Vacancy In Bowie

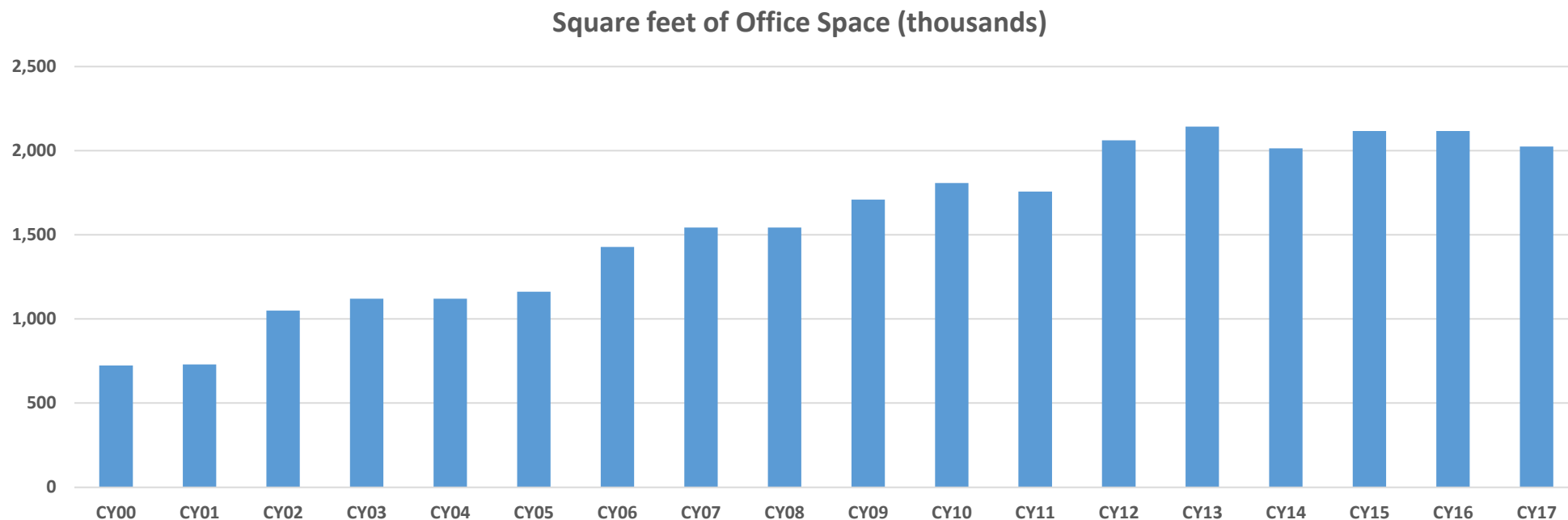


Source: CoStar from City of Bowie Budget

Why is this important?

- Vacancy rates reflect the health of the retail real estate market
- Retail vacancy rate has stayed between 5% and 10% except in 2008
- Under 5% vacancy benchmark represents supply constraints while over 10% can be considered a high vacancy rate

Office Space In Bowie



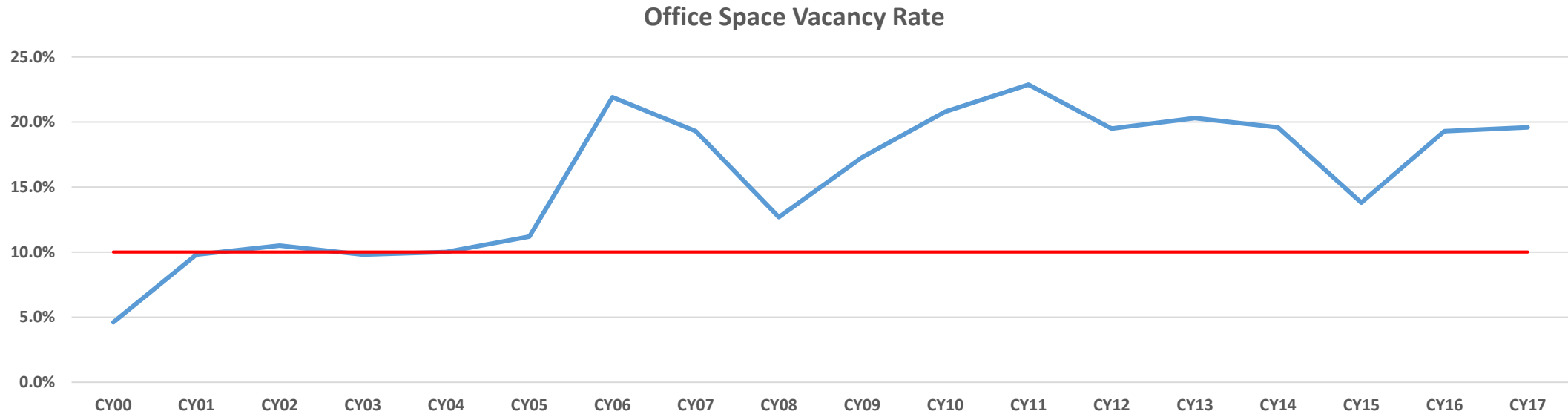
Source: CoStar from
City of Bowie Budget

- Approximately 2 million sq ft of office space available in Bowie in 2017

Why is this important?

- Increases opportunities for employment for the city labor force
- Adds to commercial property value and office rent
- Serves as a daytime customer base for retail locations

Office Space Vacancy In Bowie



Source: CoStar from
City of Bowie Budget

- Vacancy rate was 19.6% in 2017

Why is this important?

- Lower vacancy rates reflect a healthier office real estate market
- Measure vacancy rate against a 10% benchmark, with under 10% rate being favorable

Inovalon in Bowie



- Inovalon is Bowie's largest private sector employer
- Occupies approximately 130,000 sq ft of office space in Bowie
- Inovalon's 700+ employees serve as an important customer base for the Bowie Town Center retail locations

Top Private Employers in Bowie

Employer	Number of Employees
Inovalon	755
Giant Food Inc.	291
Excelis (Harris Corp)	195
Target	189
Wal-Mart	178
Sport Fit Bowie Racquet	165
IDA Center for Computing Sciences	152
Lowe's	152
FTI Consulting	150
Macy's	142
Harris Teeter	125
Home Depot	124
Safeway Stores Inc.	120
BJ's Wholesale Club	114
Shoppers Food Corporate Office	106

Source: City of Bowie

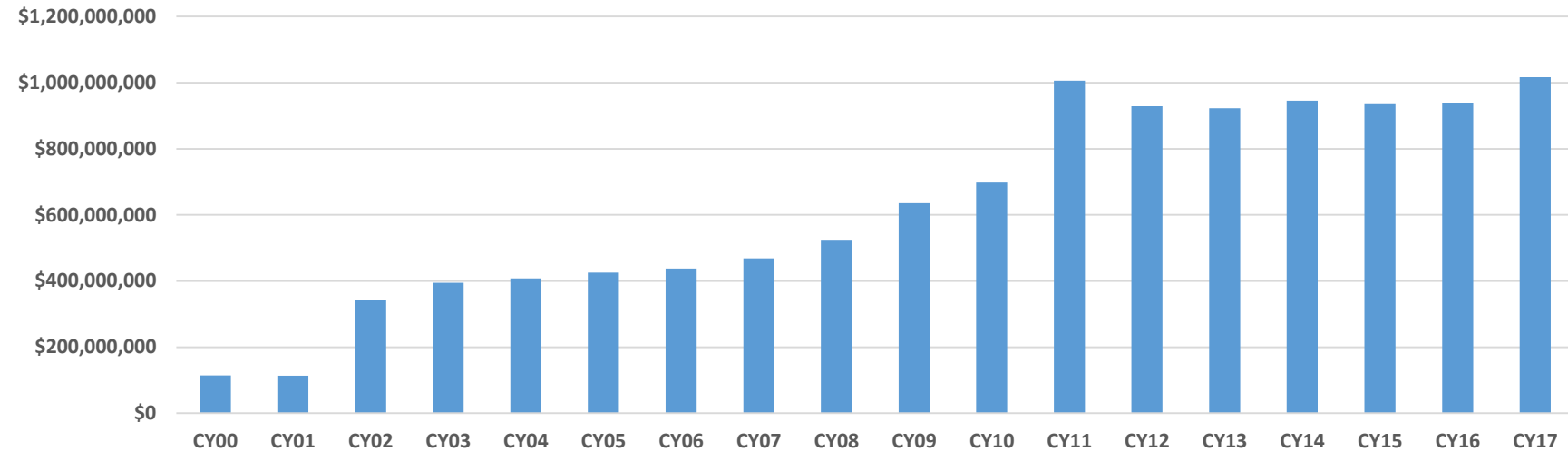
Bowie Commercial Property

- For the 10-year period between 2007 and 2017, total taxable assessed value of commercial property showed strong annual growth of 12%
- Commercial property component of the real property tax base also increased from 10.6% in 2000 to 15.2% in 2017

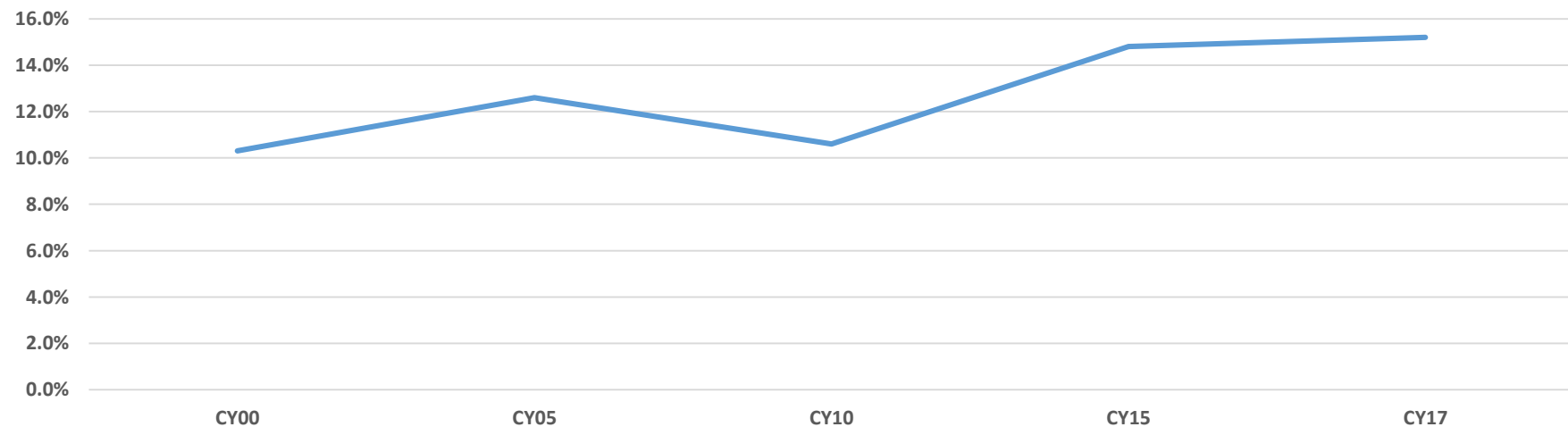
Why is this important?

- These indicators are a measure of the value of the commercial property to the city's tax base

Total Taxable Assessed Value of Commercial Property

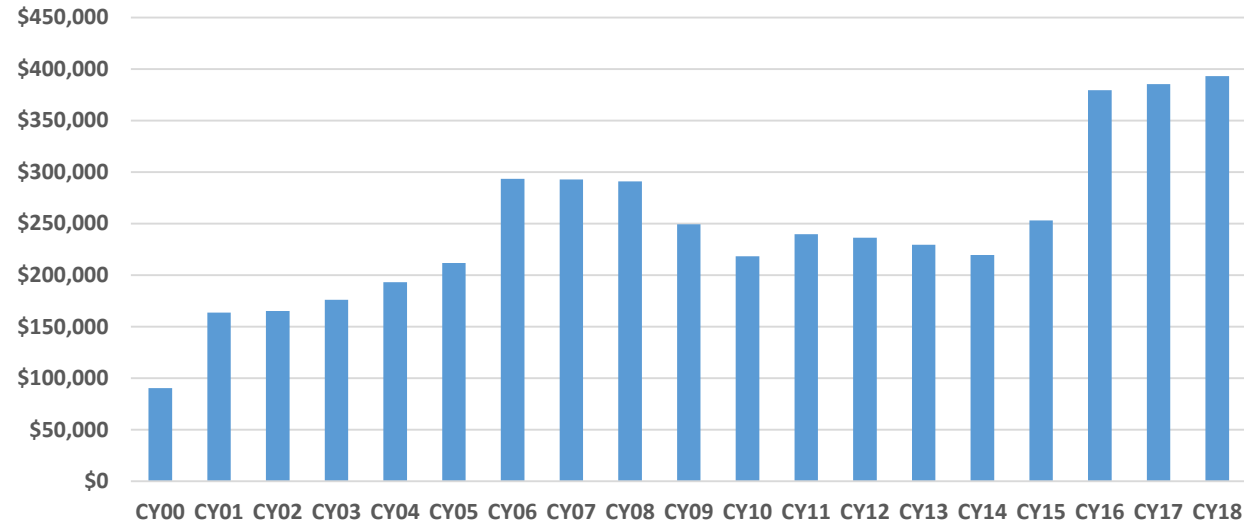


Percentage Real Property Tax Base - Commercial

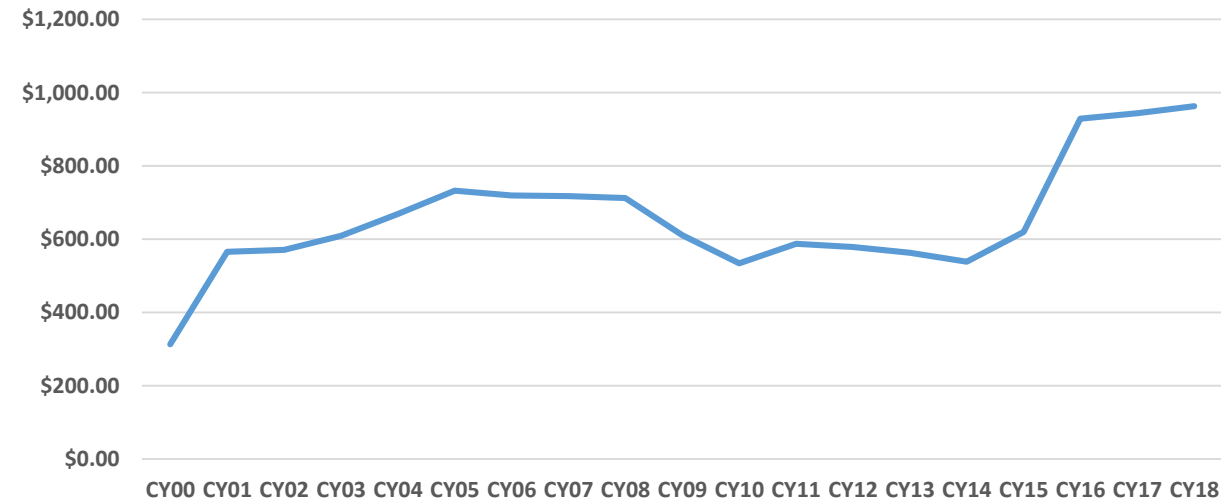


Hospitality Industry in Bowie

Hotel/Motel Tax Revenue



Tax Revenue per Room



Source: City of Bowie Budget

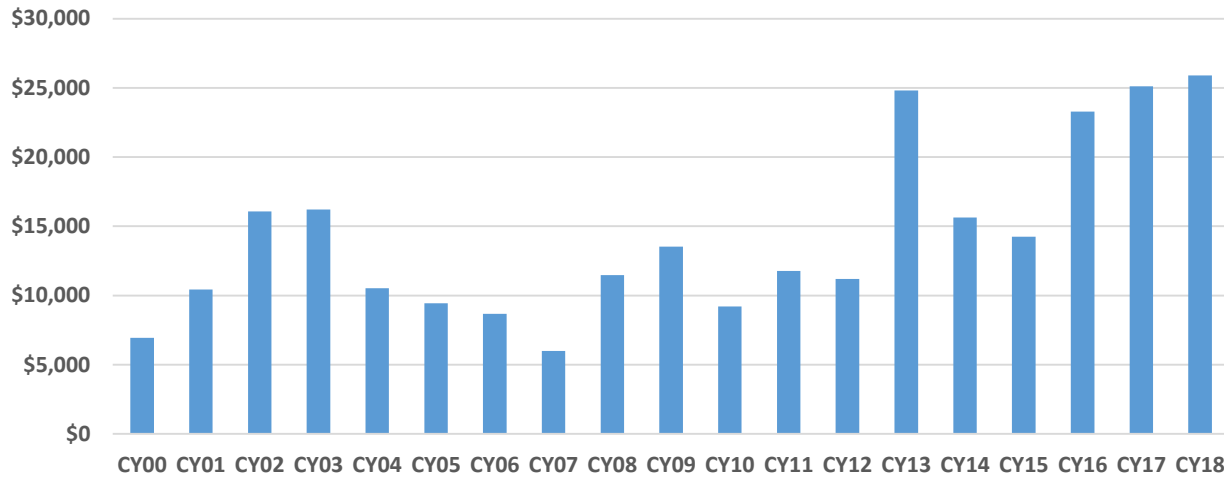
- Total rooms available between 2000 and 2005 was 289 rooms and since then it has been constant at 408 rooms

Why is this important?

- These measures allow us to better understand tourism, interest and connectivity in Bowie
- These measures also reflect upon the health of the hospitality industry

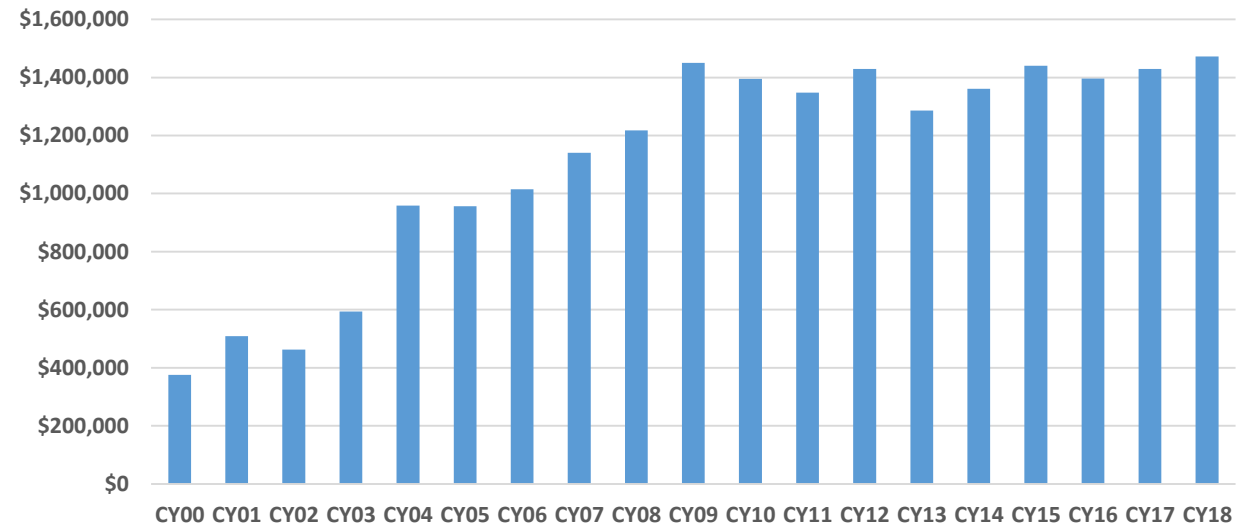
Bowie Business Trends

Personal Property Tax - Unincorporated Business



- ▶ Personal property tax from unincorporated businesses showed declines and remained low overall

Personal Property Tax - Incorporated Business



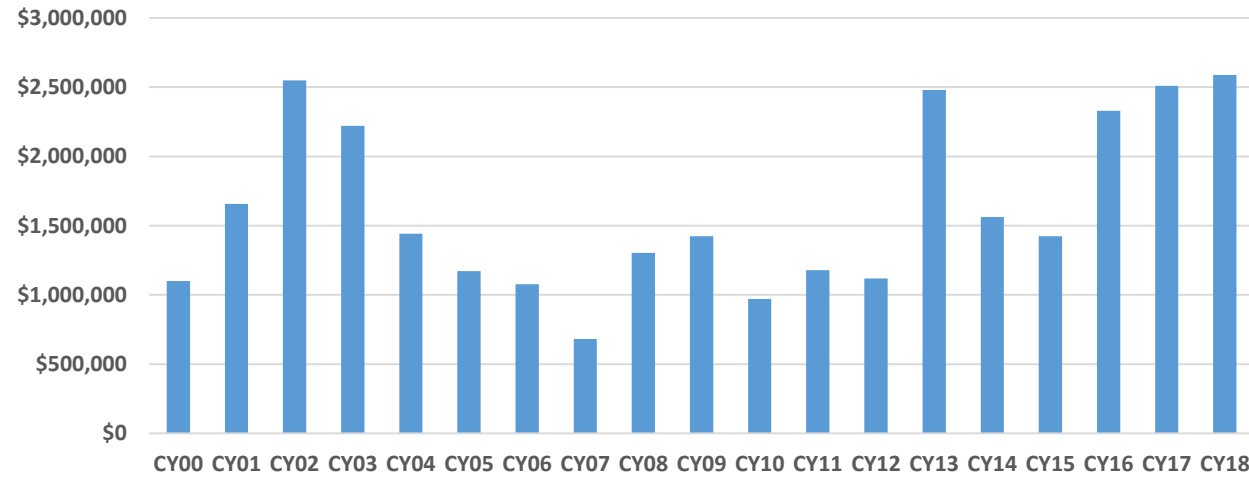
- ▶ Personal Property Tax of incorporated businesses increased through most of the first decade

* Incorporated Business refer to business registered as corporations for taxation under IRS and Maryland regulations

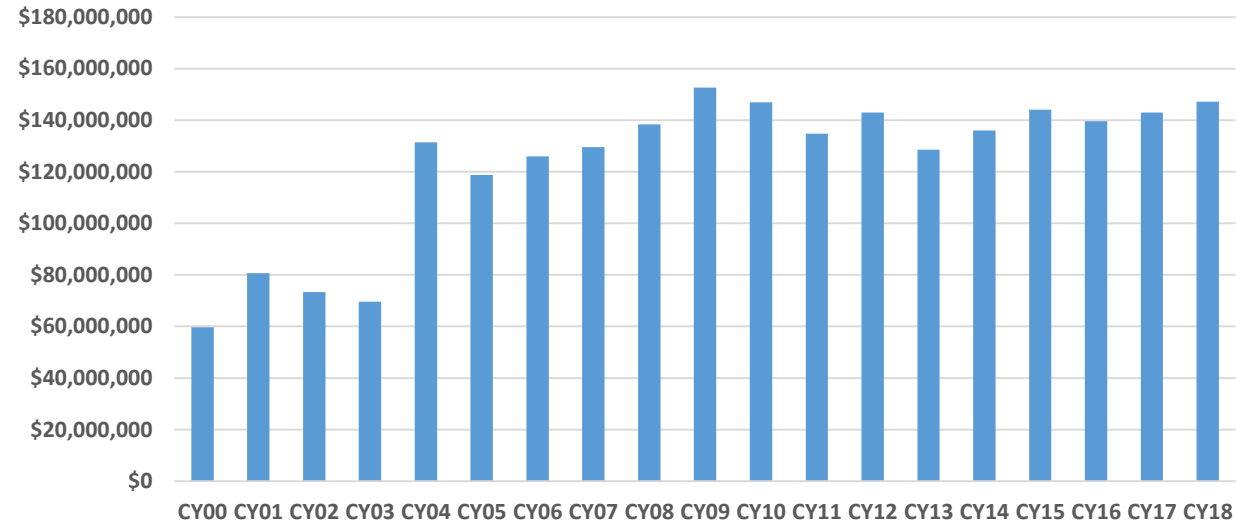
* Unincorporated Business refer to sole proprietorships for taxation under IRS and Maryland regulations

Bowie Business Trends

Assessed Value Personal Property - Unincorporated Business



Assessed Value PP - Incorporated Business




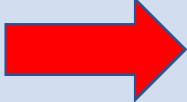
- Personal Property Tax increased from incorporated businesses
- Total assessed value also showed an steady increased trend

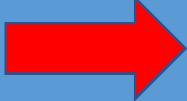
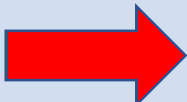
Source: City of Bowie Budget

Why is this important?

- Shows us the changing pattern of Business in Bowie
- Increase in incorporated Business suggests there was higher growth in bigger businesses compared to unincorporated businesses which are generally on a smaller scale

Bowie Business Trends

Bowie Total Business Establishments (Ten Year Change)		
2005		2015
1462		1561

Bowie Total Employment (Ten Year Change)		
2005		2015
29,236		33,008

Bowie Business Trends

Business Establishments (2005)		
Employment Size	Number of Establishments	
1-9	1,067	73%
10-49	312	21.3%
50-249	77	5.3%
250+	6	0.4%



Business Establishments (2015)		
Employment Size	Number of Establishments	
1-9	1,127	72.2%
10-49	349	22.4%
50-249	79	5.1%
250+	6	0.4%

Top 5 Industries (by number of establishments 2005 vs 2015)*		
Construction	276	353
Manufacturing	228	266
Wholesale Trade	181	184
Retail Trade	134	141
Transportation and Warehousing	114	123

- Fastest growth observed in 10-49 Employment size class with 11.8% growth
- All establishment size categories increased except 250+ category where the number of establishments remained steady

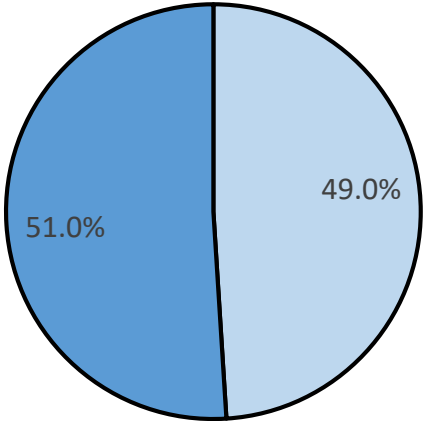
Why is this important?

- Tells us about the pattern of business growth and the important industries in Bowie

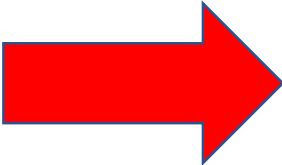
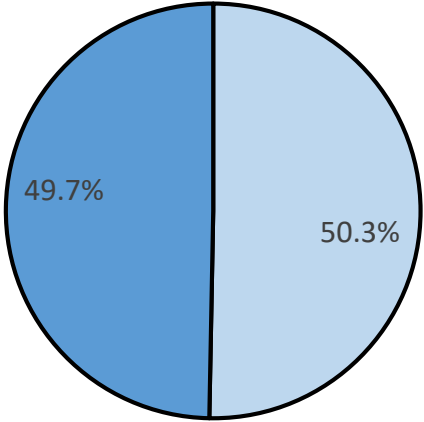
* Remained unchanged between periods

Business Location

Business Base (2005)

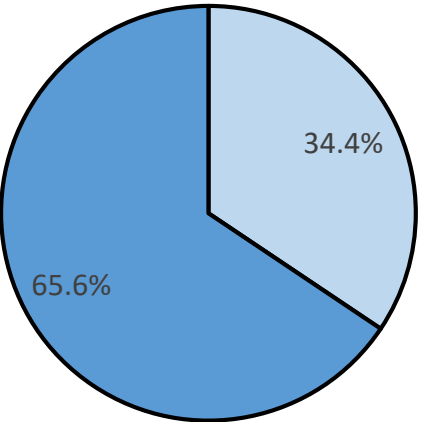


Business Base (2015)

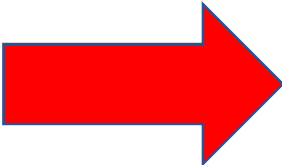
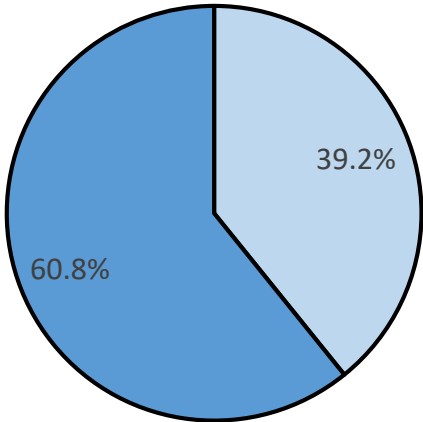


- North Highway 50
- South Highway 50

Employment Base (2005)



Employment Base (2015)



- North Highway 50
- South Highway 50

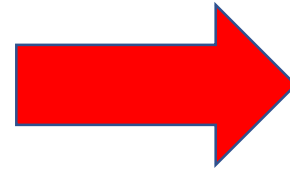
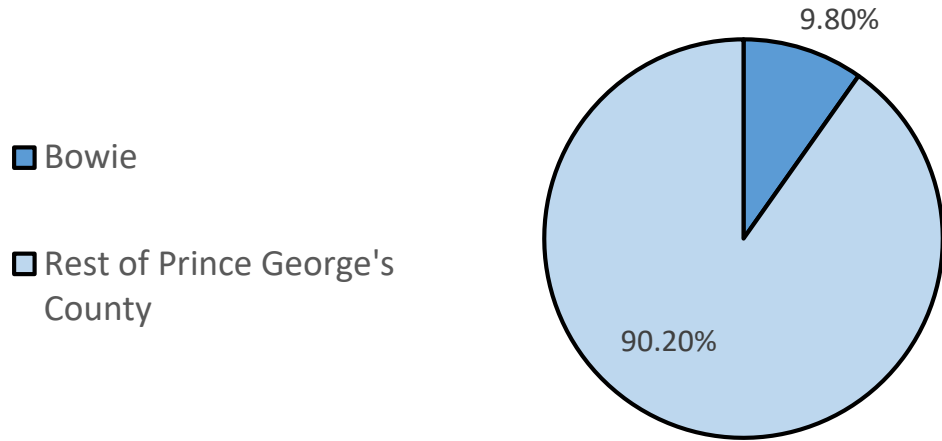
Source: U.S Census Zip code data

- North Highway 50
- South Highway 50

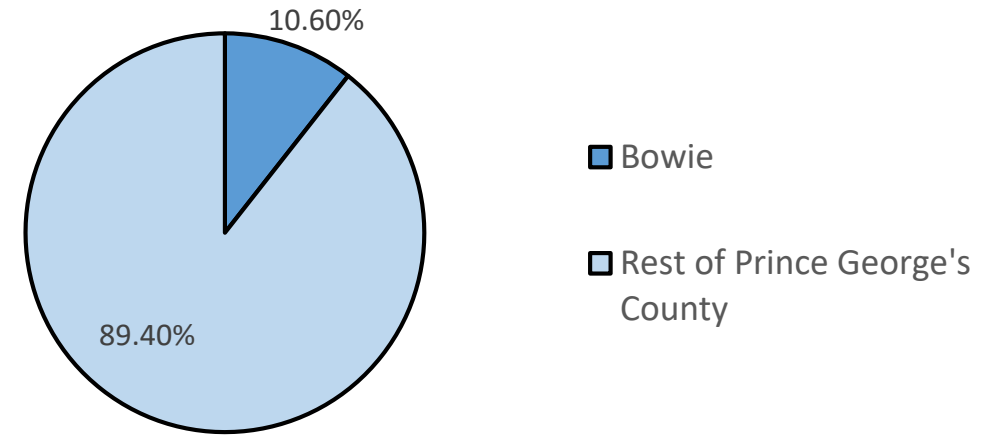
- North Highway 50
- South Highway 50

Bowie and Prince George's County

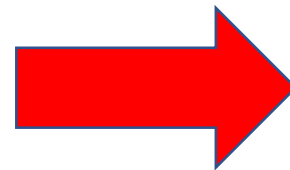
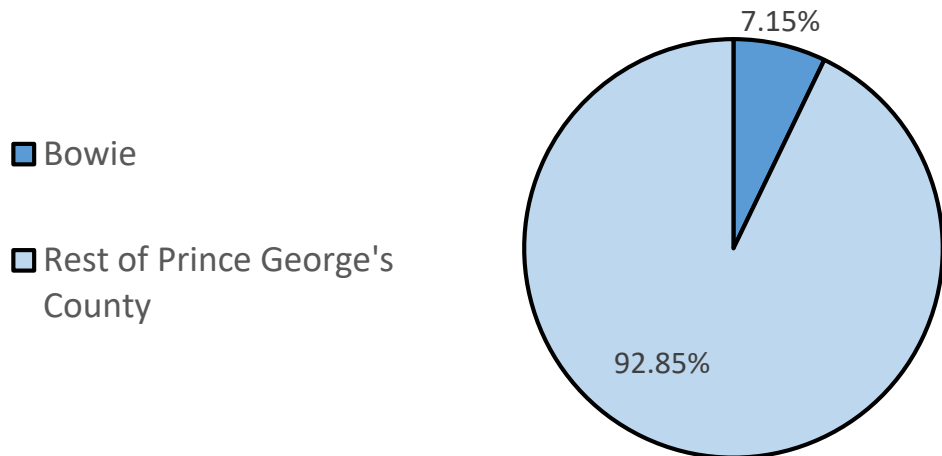
Bowie and Prince George's County Business Base (2005)



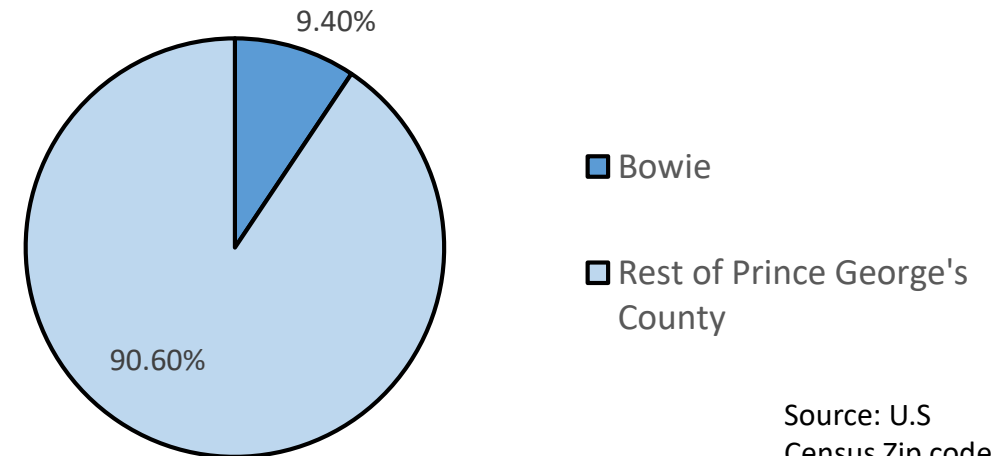
Bowie and Prince George's County Business Base (2015)



Bowie and Prince George's County Employment Base (2005)



Bowie and Prince George's County Employment Base (2015)



Bowie's Businesses: A City Economic Development View

