

**Ellicott City Community Development
Corporation Exploration Committee**



**Submitted to:
County Executive Calvin Ball**

June 1, 2019

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The Honorable Calvin Ball
Howard County Executive
3430 Courthouse Drive
Ellicott City, MD 21043

Dear County Executive Ball,

We are pleased to submit the final report of the Ellicott City Community Development Corporation Exploration Committee. The report represents the work of the committee over the past several months.

This committee was comprised of community representatives, business leaders, and residents who are committed to the future economic vitality of Historic Ellicott City. Over the course of the committee's work, the committee members spent significant hours discussing the challenges faced by Ellicott City, the needs of businesses and residents in Ellicott City and the West End, and how different existing entities currently serve the needs of these communities.

Ultimately, the committee decided that Ellicott City would benefit from the creation of a new entity focused on the unique economic development and revitalization challenges of the Ellicott City Watershed area. This new entity, which would be inclusive of all of Ellicott City's residents and stakeholders, would foster a sustainable, vibrant, and diverse community in the Ellicott City area through reinvestment, revitalization, and use of partnerships within the area defined by the Ellicott City Master Plan.

This report lays out the basis for the committee's recommendation, as well as an outline of the potential mission, scope, and work activities of this new entity. It is our hope that you will implement this recommendation as soon as feasible.

Thank you for the opportunity to advise you on this very important issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Smith", with a stylized flourish at the end.

Michael Smith
Chair

Table of Contents

I.	Introduction.....	3
II.	Why is Historic Downtown Ellicott City Important?	5
III.	Unique Challenges of the Ellicott City Watershed Area	6
IV.	Challenges of Current Oversight of the Ellicott City Watershed.....	7
V.	Analysis of Current and Future Needs	8
VI.	What is a Community Development Organization?	11
VII.	CDO Mission, Structure, and Scope of Work	12
VIII.	Conclusion	14

I. Introduction

Since its settlement in the mid-18th century, Historic Ellicott City, Maryland has seen its economy evolve from a mill town to one of the largest milling and manufacturing towns to a vital transportation hub. Today, the town's economy is largely made up of small retail, hospitality, and service-oriented businesses and is driven by tourism as those near and far flock to Ellicott City for its quaint shops and historic charm.

In 2016, Ellicott City experienced catastrophic damage from flash flooding. Businesses and homeowners quickly rebuilt, and the town began to recover from the physical, emotional, and economic damage caused by the flood. In 2018, another historic flood again destroyed Historic Ellicott City. The rebuilding process since the 2018 flood has been significantly more challenging as businesses continue to struggle with consumer fear and decreased sales.

After being elected as county executive in November of 2018, County Executive Calvin Ball immediately began working to help rebuild and support Ellicott City.

County Executive Ball believes that rebuilding Ellicott City is about more than fixing buildings or making the necessary stormwater infrastructure improvements to keep the town safe. He believes that ensuring Ellicott City's long-term economic vitality is just as important as the physical improvements that need to take place. Additionally, the county executive wanted to explore if a mechanism could be put in place to allow the people most impacted – the business owners, residents, and other stakeholders – to actively engage in the city's long-term recovery. One such mechanism is a community development corporation, which is a non-profit organization typically created to support and revitalize communities.

On February 7, 2019, Howard County Executive Calvin Ball signed Executive Order 2019-02 establishing the Ellicott City Community Development Corporation (CDC) Exploration Committee.

The Ellicott City CDC Exploration Committee was charged with examining the current landscape of organizations and services in Ellicott City to determine if there is a need for a Community Development Corporation. The review was to include examining governmental and non-governmental (nonprofit organizations, for-profit businesses, etc.) entities to see if there are needs that are currently not being met. The committee was then asked to make a recommendation to the county executive as to if a community development corporation is needed in Ellicott City. If the recommendation was to create an entity, the committee was asked to address the following issues:

- The geographic boundaries of the CDC;
- A mission statement for the CDC;
- The activities and scope of work for the CDC;
- How the CDC would interact with organizations currently operating in Ellicott City;
- A structure for the CDC, including staff and board positions, how the CDC would interact with county government, and what organizations would be involved with the CDC;
- Options for generating a steady stream of capital for the CDC; and
- A list of potential projects that could benefit by involving the proposed CDC.

A final report was due to the county executive by June 1, 2019.

The following residents, community members, and business leaders were selected to serve on the committee:

Angie Tersiguel, *Tersiguel's Restaurant*
Bia Lewis, *Voices for Children*
Brooke Abercrombie, *Howard EcoWorks*
Charles Kyler, *Up the Wall Marketing, Design, and Consultancy*
Chris Gallant, *Alternative Capital Funding*
Ed Lilley, *Howard County Recreation and Parks*
Gary Maule, *Retired Planner and Urban Designer*
Kerri Li, *District 1 Resident*

LaTonja Thompson – Belsches, *F.S. Taylor & Associates*
Leonardo McClarty, *Howard County Chamber of Commerce*
Matt Fleming, *Ellicott City Partnership*
Mike Smith, *Lantian Development Company*
Nathaniel Alston, *The Horizons Group, Inc.*
Nicholas Redding, *Preservation Maryland*
Simon Cortes, *La Palapa Restaurant*
Tim Lattimer, *Sustainable Development Expert*
Tom Coale, *Talkin & Oh*

The committee met on the following dates:

February 27th
March 6th
March 20th
March 27th
April 3rd

April 10th
April 17th
April 24th
May 8th
May 15th

As part of the committee's efforts to understand the landscape of existing organization and the work already being done in Ellicott City, the following groups were invited to speak to the committee:

- Ellicott City Partnership
- Community Development Network of Maryland
- Howard County Economic Development Authority
- Main Street Residents Community Association
- Fels Lane Community Association

These organizations provided important information about the issues facing Ellicott City, the capabilities and responsibilities of existing organizations, and how a community development corporation or organization might provide additional resources for Ellicott City.

After several months of meetings and discussions, the committee ultimately decided that creating a community development organization would be beneficial to Ellicott City.

Recommendation: The county executive should create a community development organization for Ellicott City that fosters a sustainable, vibrant, and diverse community in the Ellicott City area through reinvestment, revitalization, and use of partnerships within the area defined by the Ellicott City Master Plan.

II. Why is Historic Downtown Ellicott City Important?

Historic Ellicott City is a place of unquestioned national significance. Founded in 1772, Ellicott's Mills—later renamed Ellicott City—grew to become one of the largest milling and manufacturing towns in the Mid-Atlantic. The historic community is deeply rooted in the pillars of American economic prosperity: *river, rails and automobiles*. The origins of the Industrial Revolution trace to Ellicott City, which served as one of the earliest stations on the nation's first commercial railroad. Today, the historic Baltimore & Ohio train station is the oldest surviving railroad station in America, built in 1830 to bring goods to market.

Ellicott City stands out in Howard County, the state and the nation as a unique historic community which has retained a tremendous degree of integrity, livability and authenticity. The community is a rare surviving example of a well-preserved historic community, which provides ample opportunities to live, work and play. The historic community is also a place of economic significance. At full capacity, its more than 100 businesses provide a diverse mix of retail, dining, and services. Research conducted by the Jacob France Institute of the University of Baltimore suggests that Old Ellicott City businesses (in 2016) contributed \$197 million in business activity to Howard County, supported nearly 1,400 jobs earning nearly \$80 million in labor income, and generated some \$14 million in government revenues.

Ellicott City serves as the seat of Howard County, home to some of the nation's very best schools, most educated populace, and highest median income. A gem of the mid-Atlantic with its celebrated Main Street, Old Ellicott City offers a unique mix of businesses, cultural and historical sites, and green spaces. For Howard County, which is otherwise largely comprised of mid-to-late 20th century housing stock, the intact, walkable and architecturally unique historic district of Ellicott City serves as the figurative heart of Howard County – a hub of history, culture and community.

Ellicott City also now serves as a national bellwether for the complex challenges confronting American society. Intense media attention has not abated since the 2016 flood and public interest in the future of the community remains high given the profound implications beyond Ellicott City. The community's struggle with the impacts of climate change and extreme weather events will set the stage for many communities to follow. The challenges in Ellicott City are so great that if this community can be saved and can overcome the towering obstacles there is a real sense that there may be hope for other communities in similar situations around the nation. What happens in Ellicott City will serve as a guide for decades to come.

Historic Ellicott City is a gem on the Patapsco River with a long history of progressive evolution and re-invention – it is a place that adapts to and embraces change while respecting the value of its past. The profound significance and unique heritage of Ellicott City is well positioned to fuel another 250 years of prosperity.

III. Unique Challenges of the Ellicott City Watershed Area

Historic Ellicott City, the newer communities built around it, and the watersheds steep rocky environment around its downtown area present unusual planning and economic development challenges. These elements are atypical to its regional surroundings which were originally farm land that evolved into suburban neighborhoods connected by well-defined regional commercial corridors. The County's approach to development is largely rooted in its experience in the creation and build-out of Columbia. The skills and land use policies used in such a suburban setting are not readily applicable to the physical, topographical and denser existing development challenges found in the downtown area of the Ellicott City Watershed.

Ellicott City predates our present ideas of how communities are built and organized. Its development patterns predate all County master plans, zoning and building codes. Buildings reflect 250 years of evolving architecture design, materials and construction technologies many no longer available, constructed with code defying party walls, narrow alleys, no fire prevention and emergency exits. Streets pre-date the automobile and do not embrace contemporary commercial district service loading and parking needs. Its narrow, steep and at times blind view sheds, system of radiating streets present traffic movement and pedestrian accessibility issues. Retrofitting contemporary water, sewer, electrical, gas into Ellicott City is unusually challenging.

Combining these unique characteristics with the accelerating pace of climate change without adequate provision for stormwater management results in increasingly devastating floods that threaten the property owners, tenants, residents, and visitors to the Ellicott City Watershed area. Despite all these challenges, Ellicott City is a rich, engaging and persevering urban setting that, despite these challenges, evolved into an enduring example of a live, work and play community. With proper commitment and engagement to address these challenges, Ellicott City can become a role model for how to best address growth and evolution in similar settings.

IV. Challenges of Current Oversight of the Ellicott City Watershed

Ellicott City is experiencing challenges that threaten its very survival. Sustainable regeneration of our community requires that state, county, business, and community organizations work in close coordination to provide robust planning, place-making, and implementation skills predicated on financially viable strategies. It also requires focused stewardship.

Due to its unique characteristics, it is challenging for existing resource providers to provide the oversight required of the complex restoration and management of Historic Ellicott City. The Ellicott City watershed defies these conventions. Local property owners, builders and developers also lack the experience and financial resources needed to address all of Ellicott City's unique challenges.

Ellicott City needs an organization that:

- Attracts an experienced staff that embraces the challenge, promotes technology, champions infrastructure solutions, coordinates with county agencies, neighborhood and business organizations, and resolves disputes in a consultative, pro-active manner;
- Generates innovative, multi-disciplinary, comprehensive solutions to the problems that currently face Ellicott City;
- Brings proven examples from other communities that are compatible with Ellicott City;
- Puts its full and undivided attention on selected assets in the watershed district;
- Creates a business plan that is responsive, multi-disciplinary, comprehensive, cooperative, long-term and fiscally sound;
- Anticipates challenges and is adept at addressing them;
- Successfully rallies and maintains the community's focus; and
- Hits the ground running.

V. Analysis of Current and Future Needs

After reviewing the challenges facing Ellicott City, committee members engaged in an activity designed to create a clearer picture of the needs of historic Ellicott City and the West End and how those needs could best be met. Members articulated current and future needs and then identified the entities currently handling or best equipped to handle each need.

Entities included the following:

- Howard County Economic Development Authority
- The Ellicott City Partnership
- County government
- A currently nonexistent entity

While several needs were identified as currently being met or potentially met by existing organizations, the committee found that many of the needs could benefit from additional coordination and resources. Based on this analysis, the committee concluded that there is a need for an organization focused on addressing the unique economic development and revitalization challenges of the Ellicott City Watershed area.

It is important to note that this analysis was limited in scope and a more in-depth needs analysis would be beneficial to ensure that if a CDO is created, it is not duplicating work already being done in the community by existing organizations.

The following table summarizes the committee members' perspectives on how needs are currently being met in the watershed district and how a new organization could supplement the work already being done:

	County Government	HCEDA	Ellicott City Partnership	Maryland Historical Society	Nonexistent Entity
Needs					
Grants/Low Interest Loans	●				
ER ops training	●				
Reassurance that changes will be made to ensure that another flood will not occur with the same damaging impact	●				
Communication from leadership	●				
Clarity about the degree to which flood mitigation plan will ensure safety	●				
Safety	●				
Flood mitigation	●				
Stormwater management	●				
Better infrastructure	●				
Responsible development that respects the unique situation	●				
Implementation of watershed plan enforcement of stormwater BMPs	●				
Access to services	●				
Trusted representation in law enforcement and public agencies	●				
Better flood planning	●				
More county outreach	●				●
More collaboration with other communities outside the community	●				●
Financial assistance	●				●
Reliable/sustainable funding	●				●
Investors		●			●
Funding to start or expand businesses		●			
Diversity of business		●	●		
More visitors and increased visitor spending		●	●		
Money for merchant co-op advertising		●	●		
Attracting visitors			●		
Central clearing house for the business community			●		
Coordinated activities for both residential and business support			●		
Business interests			●		
Coordinated plan for promoting town on a consistent basis			●		
A year's worth of events posted at the beginning of the year			●		
Development of the stories of diversity				●	
Connection to Patapsco				●	

	County Government	HCEDA	Ellicott City Partnership	Maryland Historical Society	Nonexistent Entity
Needs					
Expertise	●	●	●	●	●
Publicity	●	●	●	●	●
Certainty	●	●	●	●	●
Oversight					●
Community Consensus					●
Capacity to leverage world class expertise to elevate OEC to a place worthy of all HoCo residents					●
Leverage technical assistance and resource dollars from beyond HoCo (donors, state, fed) to attract world class resources					●
Development of the resident stories to better leverage money and assistance					●
Community support					●
Community retention					●
Vitality					●
Better utilization of our historic sites					●
Watchdog to ensure flood mitigation & implementation are addressed appropriately and timely					●
Parking					●
Adequate and affordable housing					●
Plan for vacant properties					●
Funding for building improvements					●
Community infrastructure					●
Economic safety					●
Diverse representation					●
Renovation					●
An understanding of what needs to be done to protect Ellicott City from storm damage					●
A clearly defined plan to address challenges and clarity about who implements that plan					●
Facilitate a consensus on the approach to flooding					●
An organization to oversee revitalization					●
Resources at state and local level					●
Stability					●
Metrics to measure appropriateness of all improvements					●
A plan to help both businesses and community members meet rebuilding needs if they are not met					●
Funding for property restoration to preserve the character of Main Street					●
Tiber watershed ombudsman					●
Move away from Main Street, business-centric perception of Ellicott City; include community and the watershed					●
Integrate history, environment & community in all efforts					●

VI. What is a Community Development Organization?

We studied two potential forms of community-based development organizations, a Community Development Corporation and a Community Development Organization. Though the difference is subtle, the term Community Development Corporation has implications, specifically regarding HUD (the Department of Housing and Urban Development) that infer a greater priority and more direct involvement in the development of affordable housing. Whereas, a Community Development Organization leverages local assets for the benefit of a community's economic development and offer innovative ways to support the socioeconomic development of a community or region. Therefore, after hearing from a representative of Community Development Network of Maryland, the committee opted to support the somewhat more socially driven/community building form - a Community Development Organization (CDO). A CDO, is a locally based, tax-exempt, non-profit corporation that helps rehabilitate neighborhoods, create jobs and promote physical and social improvements in communities facing unique challenges such as our efforts to revitalize Ellicott City.

CDO's perform a wide variety of functions such as creating housing, promoting commercial and mixed-use real estate development projects, leading community planning efforts, providing social services and assisting with community improvement programs. As a non-governmental entity, CDO's can participate in local revitalization efforts as property owners, general contractors, property managers, or as tenants.

While CDO's are expected to work closely with local government, they are not governmental entities. Rather, they are fully independent organizations that must appoint their own board of directors, raise funds, and oversee the implementation of the CDO's mission. As a non-profit organization, CDO's are tax exempt and may receive funding from public and private sources, including federal, state, and local governmental grants. CDO's are customarily created and organized by residents, local small business owners, church congregations, civic associations, and governments. The CDO board will often reflect the constituent organizations of the community it serves.

The State of Maryland has provided a set of preliminary steps to create a CDO, which we would recommend the county executive follow to create a CDO focused on Ellicott City:

- Define the community's geographic boundaries,
- Define and assess the community's needs and what the CDO could contribute to these needs,
- Form a steering committee like this one
- Provide an open community forum to share ideas and gather information regarding the vision for the CDO,
- Develop a mission statement,
- Consider how the organization would be funded,
- Develop and draft by-laws,
- File with the State Department of Assessments and Taxation to become a non-stock corporation,
- Obtain a federal Employer Identification Number
- Apply for Federal tax-exempt status

VII. CDO Mission, Structure, and Scope of Work

Mission Statement

The Ellicott City CDO is responsible for fostering a sustainable, vibrant, and diverse community in the Ellicott City area through reinvestment, revitalization, and partnerships.

Geographic Boundaries of the CDO

The Ellicott City Watershed Master Plan boundaries form the catchment area of the CDO's operations. After formation, the organization should seek to engage with Baltimore County officials and property owners to explore cross-jurisdictional opportunities.

CDO Activities/Scope of Work

The CDO should:

- Collaborate with all pertinent government agencies, existing business organizations, and community groups;
- In partnership with existing organizations, help to implement the strategic revitalization of the watershed area, which supports the stormwater management recommendations in the Ellicott City Watershed Master Plan;
- Form as a non-profit 501 C-3, with the ability to negotiate, sell, lease, lease-back and purchase both public and private property, accept ownership of property, prepare plans, solicit bids, select developers / builders to implement projects, oversee projects, assess the results and pursue grant opportunities;
- Coordinate with all pertinent county public works, transportation, and planning initiatives in the area;
- Bring creative financing solutions and managerial oversight to the infrastructure, building preservation and historic district revitalization challenges confronting the watershed area;
- Create and implement public/private partnerships; and
- Explore inter-county opportunities with Baltimore County to explore the commercial area along the Patapsco and Frederick road areas.

Board Structure

The CDO should have a Board of Directors comprised of a diverse group of planners, community representatives, economic development specialists, real estate developers, historic building preservationists, social services, legal, housing and finance experts. We recommend complimenting this group with a business owner, property owner or a resident of Main Street. The Board of Directors should be responsible for governing the organization and for setting and measuring its goals.

We recommend a Board comprised of 11 members. Nine members will be recommended for appointment by the county executive, including the Chairman. Two members would be recommended for appointment by the District 1 representative, one of whom should be a community representative. To ensure that appropriate skill sets are found, and goals of diversity are met, all appointees should be confirmed by a majority of the county council.

Appointees would serve for 4-year terms. Terms should be staggered so that there is always some institutional knowledge overlap when Board members transition off the Board.

Board Members should:

- be conflict of interest free,
- hire the Executive Director,
- select a Vice Chair, Treasurer and Secretary,
- determine its own committee structure.

Executive Director/Staffing

The Executive Director reports to the Board and is responsible for creating and implementing the organization's vision and overseeing all its functions. The Executive Director should have a background in mixed-use and community-based development, preferably in an historic building context. The Director should have experience in promoting, structuring, and managing successful public/private partnerships with skill in real estate negotiations, land use, contracting, asset management, design, engineering, and finance.

The Executive Director should have strong public presentation and community/stakeholder engagement skills. The Executive Director defines staff needs/skill sets and conducts the staff recruitment and hiring process.

Advisory Committee

The county executive in consultation with the District One representative will create a Standing Advisory Committee comprised of a cross section of representatives from county government agencies engaged in economic development and revitalization, the Ellicott City Partnership, the Patapsco Heritage Greenway, property and business owners, and affected community and neighborhood organizations/groups.

The Advisory Committee will provide advice and feedback to the CDO Board of Directors and ensure that the CDO collaborates with key Ellicott City stakeholder groups.

Funding/Assets

The CDO's goal should be to become self-sustaining as soon as possible through lease, ground lease, and /or sale of properties that it controls and through grants, gifts, and any other means as pursued by the organization. Until adequate cashflow can be established, county and State support will be critical in supporting the organization's formative years.

To be successful, the CDO must be granted a robust base of county or state-owned real estate assets to champion. These assets would be conveyed to the CDO at no cost after physical stabilization/environmental remediation is conducted by the county. Assets could include:

- Main Street Buildings acquired by the county,
- The Court House property,
- County owned parking lots,
- The former Post Office, and
- Any other asset the CDO pursues in the watershed area in Howard or Baltimore County.

Interaction with Existing Organizations

The CDO does not compete with existing organizations' missions.

VIII. Conclusion

After meeting with several business, community and government organizations that serve Ellicott City, the committee concluded that there is no organization or government entity that is focused on addressing the unique economic development and revitalization challenges of the Ellicott City Watershed area. Although the floods of 2016 and 2018 exacerbated the community's needs and strained our safety net, we see great value in creating a long-term, stable economic champion for the area that can leverage its expertise to attract investment and resources to the community from and beyond Howard County.

The committee therefore unanimously recommends creation of a Community Development Organization to oversee the revitalization, investment, development and management of any real estate assets conveyed to it by Howard County Government, neighboring jurisdictions, State Government or any other property owner within the watershed boundaries of the CDO.

We believe a CDO can foster a sustainable, vibrant, and diverse community in the Ellicott City area. We acknowledge that the CDO should become self-sustaining in time but recognize that the CDO will require financial support until it can sustain itself. The CDO will require contribution of as robust a base of publicly owned properties as possible to achieve self-sufficiency and make a difference. The CDO should use public/private partnerships and other joint venturing tools to leverage its impact and attract best in class thinking to the challenges of Ellicott City.

We recommend the county executive and council member from district one nominate an 11-member Board of Directors for county council consideration and that the members hire an experienced Executive Director to oversee the organization. Board Members should have backgrounds in finance, law, economic and community development, historic preservation, housing, neighborhood empowerment and social services among other skill sets.

We strongly encourage the CDO to work cooperatively with existing organizations, non-profits and community groups in and around Ellicott City and recommend creation of an Advisory Committee to the Board of Directors consisting of these groups to ensure wide-spread engagement and partnership in the CDO's mission.

We recommend creating a Community Development Organization that puts its full and undivided attention on revitalizing, preserving and sustaining the watershed district of Ellicott City as soon as feasible.