Annapolis Transition Committee: Opportunities

Introduction

In development economics, there's a theory that for a country, natural resources can be a curse. You can see it in oil-rich countries that have a hard time developing any other industries and putting basic business infrastructure in place. The oil-based economy is too easy. And as a result, the populations of resource-rich economies tend to suffer from inequality. Either you have some of that money from the gusher, or you don't.

Annapolis has a curse of resources: tourism and government. To be clear: there is absolutely nothing inherently wrong with either of these industries. But, looking to the future, if we continue to rely on them, we can expect to see increasing income inequality, and not enough infrastructure to support all the things the city could be.

Annapolis has a reputation as a place where it's difficult to do business. Successful investment in Annapolis requires local knowledge, local lawyers and a local brand of patience. "You're not gonna believe how hard it was" and even "I'm never spending money in this town again" are statements we've all heard, first-hand, from business owners. There's a tendency in Annapolis to shrug our shoulders at inefficiency as something that happens in a small town — the "Annapolis way." Even worse, sometimes we embrace that inefficiency, believing that if it's hard to do business in Annapolis, then it's easier to preserve the town we love. But if we believe that, we're failing to answer two questions: Preserve what? And for whom?

In this beautiful town, blessed with history, scenery, two world-class universities, a federal military base and city, county and state administrative centers, income inequality is higher than the national average. We have more than twice the national percentage of high wage earners ($200,000), but our median household income is $72,000 a year. This is higher than the national median, but it's lower than the medians for Maryland ($74,000), Anne Arundel County ($90,000) and the combined area of Annapolis, Parole, Annapolis Neck and Edgewater ($94,000). Median property values in Annapolis are twice the national median. We have half the national rate of homeownership. Statistically, this is a picture that, anecdotally, feels recognizable: Annapolis is a town where a few people earn a lot of money and can afford to buy expensive homes and a lot can't. Again: Preserve what? And for whom?

Our focus on the resource of tourism and our inefficiency at promoting other industries are not an accident. Both are choices. Because we don't have a formal economic development plan in place, we are choosing a default: the money we spend is used to bring tourists to the city, and all of our attention goes to ad hoc building projects. Because we are failing to focus on all the other types of business in Annapolis, we are reducing our options, and creating inequality.

And perversely, that inequality, and the perception that only a few people can push their own projects through, creates a lack of trust. "Development" is a bad word in Annapolis, because there's a perception – in part deserved – that the developments we approve fail to create wealth for everyone and that they can only result in environmental

degradation and an unwanted change in the character of our town. We have chosen the city we have. It is beautiful and it is home, but it is also inefficient and unequal.

The answer is not to abandon the tourist industry, nor to wantonly greenlight every new development permit. The answer is to first make a conscious plan about the kind of economy the city wants. We have to redefine the phrase "economic development" so we create trust that the city's decisions will preserve the good — for everyone. Annapolis is a wealthy city. It's a beautiful city. We can choose to keep what is good and make it work for everyone.

Our committee is making observations based on these principles.

1. **Most importantly, our town must serve residents first and visitors second.** The visitors who come here want an authentic experience of how **we** live, work and play here.

2. **Process is more important than recommendations**. None of the problems we identified are new to anyone who's lived in this city for longer than six months. Our work has focused on making identifying the resources and structures needed to make and carry out economic decisions, rather than a shopping list of suggestions.

3. **Community development is economic development**. We see nonprofit work, city programs and venture capital as part of the same continuum of investment. The city might partner with a nonprofit on workforce training, for example, and one of those trainees might eventually start a business. Local government, local philanthropies and local businesses all provide different kinds of capital, and they should be talking to each other to create investment opportunities for the greater good.

4. We prefer an **iterative process of small changes**, rather than big changes with big fiscal and staffing requirements. There is no silver bullet that will fix the issues we are discussing. Massive initiatives create massive fights, and are likely to be the wrong answer by the time they're finally carried out.

5. **Annapolis is a special place, but it doesn't have special problems**. We see the work we'd like to do in Annapolis as part of the "Strong Towns" movement (strongtowns.org), which defines itself as "a model of development that allows America's cities to become financially strong and resilient." The capital and the talent are right here in town, waiting for us. We would like to see Annapolis learn from the examples of other, similar places, using their own resources to solve similar challenges.

6. **Annapolis is bigger than downtown**. We have the most beautiful historic district in America. (I'm sorry, Savannah. We do.) But we also have another six square miles full of Annapolitans living, working, and riding the bus. The challenges of downtown are not synonymous with the challenges of Annapolis, and they should not take up all of the oxygen.

7. **The city can only gain from being open and transparent**. There is a national movement of cities toward open data, allowing citizens to make their own decisions — and, yes, demands — with city data. We would like Annapolis to be a part of it.

The Annapolis Office of Community Economics
Prosperity, for the whole city

Challenge
Annapolis practices economic policy by default. We encourage tourism and hospitality, and we contemplate capital-intensive development projects. But these are just two pieces of the city's economic life. The city needs a plan and — just as important — a process for economic progress, one that brings together city agencies with local businesses and nonprofits to focus on the important over the urgent. And the city needs to create trust that, as it grows, it's growing for every resident without destroying the very things that make us special – like our environment and our small town scale.

Proposal
Create within the city government an Office of Community Economics. Match it with an advisory board comprised of representatives from local nonprofits, businesses and residents.

Together, they will
- Continuously find ways to make it easier to start, expand and operate businesses and nonprofits in the city
- Help train and match local labor to local need, for example, in the maritime industry
- Identify and fund business district improvements — for all districts, not just downtown. Encourage investment in the built environment we already have; that is, prioritize redevelopment of existing structures over building new.
- Bring city departments together with local nonprofits to identify, prioritize and apply for state and national grants for community improvement
- Match local ideas to local capital – bring investors and entrepreneurs to the same table to discuss what is possible
- Help the city treat housing and transportation as investments, not just services
- Ensure that the city factors in the externalities of development – that is, that the value of forests and clean water provide to our city is made part of the decision-making process
- Serve as advocates for businesses that don't yet exist, and be hand-holders for businesses interested in moving to the city
- Agree on metrics for progress – bringing household income closer to county standards, for example – and hold the mayor, the city manager and the city council to account for meeting targets

Do it now:
Create the city's Office of Community Economics

Annapolis needs a single office that answers directly to the mayor that will develop and carry out economic policy. This is something most medium-to large cities already have. It should be a nonpartisan tool, useful to any future mayor. It should include the following:

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- Economic development analyst
- Economic development manager, working full-time for the city
- Environmental Policy office head
- Small and minority business liaison
- Planning and Zoning (permitting) director
- Chief of existing Community Development office
- New hire: Data analyst and open data coordinator
- New hire: Part-time staff liaison for the Community Economics Advisory Board
- City ombudsman

City representatives from the Office of Community Economics will take turns keeping office hours in a downtown storefront, which they will share as a meeting, work and public space with the Community Progress Advisory Board. This will put a visible, accessible public face on the effort.

Do it this year:
The Annapolis Community Economics Think Tank

Members of the transition committee for economic opportunities will create a charter for an advisory group for the city's Office of Community Progress. The goal will be to create a kind of think tank, and make sure everyone in the city who runs either a business or a nonprofit feels represented. The board will include members from these segments of our population:

- Downtown business owners
- Non-downtown business owners
- Tourism/Hospitality industry managers
- Maritime industry owners
- Residential and commercial property owners
- Environmental nonprofit managers
- Social-services nonprofit managers
- Anne Arundel County Chamber of Commerce
- Annapolis & Anne Arundel County Conference and Visitors Bureau
- The U.S. Naval Academy
- The Annapolis Historic Preservation Commission

Do it this term:
Agree on what the end goals are for community progress, and start measuring them.
Create a quarterly public event and data release to check on progress
Prioritize two economic development problems that are important, but get sidelined because they aren't urgent.

Examples of end goals, with measurements:
- Close the household income gap with the rest of Anne Arundel County

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- Measure amount of redevelopment of existing structures
- Increase pace of new business starts
- Reduce number of empty storefronts downtown (Main Street, Maryland Avenue and upper West Street) measured on an annual basis, rather than as a snapshot
- Maintain current forest acreage
- Improve water quality by X% in Annapolis' four creeks and Severn River

Examples of problems that are important, but not urgent:
- Lack of trained workers for the maritime industry
- Lack of affordable housing for lower-wage workers, particularly teachers and first responders
- Encouraging the city's mostly Hispanic grey economy onto the books

Annapolis, an open data city

Do it now:
Create an open data project within the city
Show what the city knows about itself, and create demand both within departments and among citizens for better data tools. The project will be run by the head of IT, working with the Office of Community Economics

- Starting immediately, the mayor will highlight one number from the city manager's report at every city council meeting. All city emails will feature links to the current report as well.
- The Office of Community Economics will encourage departments to think about what their own data needs are.
- This year's budget presentation will use visual graphics to be more accessible, and highlight what the city knows about itself.
- The Community Economics Advisory Board, working with the Office of Community Economics, will determine a short list of data sets to be made interactive and searchable.
- The city will work to free up Inna Young's time to focus on open data, for example, routing the webmaster email address to the public information office.

Do it this year:
Create a Code For America Brigade in Annapolis
Code For America brings together civically-minded tech workers to make things for local governments. It's a highly successful organization, active all over the country. In Sacramento, for example, the local Code For America chapter — a "brigade" — built apps for the city and also created a fertile community that nurtured several startups. The organization is eager to work with Annapolis to find us a local sister city and get us started. Every local brigade requires a non-city leader. For Annapolis, it will be Sean Fahey, an Academy graduate, Rhodes Scholar and local tech entrepreneur.

- The Office and Advisory Board for Community Economics will define a short list of tech and open data projects that need help — a bilingual transportation app, for example, or environmental goals.
- Work with the Naval Academy, St. John's, AACC and local tech companies to have one hackathon to take on those projects.
- Work with local and national companies to identify both grants and investment opportunities that come out of Brigade hackathons.
- Turn that community engagement into a tech internship program with the city.

Do it this year:
Make Annapolis.gov more user-oriented, and less a reflection of how the city sees itself
The current website is hard to understand for a visitor not already familiar with how the city is organized. This is a common problem for websites for both governments and corporations — organizations tend to recreate their internal structures for the web.

- Inna Young and city council members will hold monthly, casual user testing, in public places in every ward. They will offer coffee, ask citizens to try to do something on the website, take notes, and make constant, incremental changes to the site.

Do it this term:
Get certified by Bloomberg Philanthropies as an open data city

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- Bevin Buchheister
- Rev. Johnny Calhoun
- Lyn Farrow
- Brendan Greeley
- Colin Harrington
- Jonathan Hollander
- Hollis Minor
- Macarena Pallares
- Elvia Thompson
- Sean Fahey
- Inna Young

The Opportunities Committee also talked to

Walter Vasquez, Annapolitans for Responsible Development
Jennifer Balducci, SoFo
Rita Siprak-Weill, Annapolis Design District
John Scherfel, Maryland Avenue and State Circle Merchant Association
Josh Cohen, former mayor
Dick Hillman, former mayor
Charlie Saville, Quantum Sails
Sean O'Neil, former head of the Annapolis Business Association
Marc Rodriguez, City Council, Ward 5
Elly Tierney, City Council, Ward 1