

News

City of Annapolis to consider privatizing economic development

April 5, 2010

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Baltimore Business Journal

Annapolis Mayor Joshua J. Cohen has formed an economic development panel to help the city restructure its efforts to attract new businesses and boost its tax base.

The 12-member task force will explore options including privatizing the city's economic development efforts the same way as Anne Arundel County has done with the formation of the Anne Arundel Economic Development Corp.

Cohen announced Thursday his appointment of Karen Hardwick and Fred Delavan to chair the new economic development working group, expected to release its recommendations by May 15.

The mayor hopes to include the group's findings in the city's 2011 fiscal budget. In an effort to narrow a projected \$9 million budget deficit, Cohen has proposed dissolving the city's Department of Economic Affairs. Cohen also has proposed eliminating the Office of Emergency Management and the Department of Central Services, and shifting those responsibilities to other departments, to close the budget deficit.

Those reductions have sparked concern from city council aldermen fearful of being left out of critical decisions concerning the city's budget. Cohen said he understands those concerns and named several alderman to the economic development task force to ensure they have a say in the process.

Cohen said in a telephone interview he believes the city can do significantly more to attract businesses to Annapolis. The city is the state's capital, home to the U.S. Naval Academy and an historic waterfront community, all attributes he said should be promoted more actively.

But he said the recession, developments on its fringes such as the Annapolis Towne Center at Parole, and a reputation as being a difficult city in which to do business have hindered the city's economic development prospects.

"We've got so much going for us, but if this recession has shown us anything, it's that even with all of those advantages economic development will not happen on its own," he said.

Cohen said the working group will look at forming a new public-private group to oversee economic development activities, merging those efforts with that of the Anne Arundel EDC, or keeping those efforts within city government.

Keeping economic development as part of city government would require Annapolis to hire a new economic affairs director to replace Mike Miron, who is retiring from the department. Cohen said two other department employees were laid off, and two others were shifted into other city agencies.

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But the mayor said he believes the work group will recommend the first option, that being to form a nonprofit overseeing economic development activities in the city. He said he is holding off interviewing for Miron's replacement until the work group has completed its recommendations.

Hardwick served as general counsel for the Anacostia Waterfront Corp., an economic development effort focused on properties lining the Anacostia River in Washington, D.C. Delavan, a land-use attorney, helped establish the framework for the formation of the Anne Arundel Economic Development Corp.

In addition to Hardwick and Delavan, other members of the task force include: Alderman Ross Arnett; Alderman Classie Hoyle; Alderman Fred Paone; Bob Burdon, CEO of the Annapolis and Anne Arundel Chamber of Commerce; Connie Del Signore, CEO of the Annapolis and Anne Arundel Conference and Visitors Bureau; Dick Franyo, owner of Boatyard Bar and Grill; Rick Morgan, CEO of CommerceFirst Bank; **Midgett Parker**, partner with Linowes and Blocher LLP; Annapolis Chief Administrative Officer Doug Smith; and Chuck Walsh, chair of the mayor's Economic Development Idea Transition Team.

Cohen led a city delegation to Alexandria, Va., in March to gather information about that city's economic development arm. Alexandria, Va., has shifted those efforts to a private organization charged with growing the city's tax base and attracting new companies.