



DEPARTMENT OF PLANNING

Maritime Industrial Zoning Overlay District (MIZOD)

Summary & Evaluation

2009-2010

In Partnership with:



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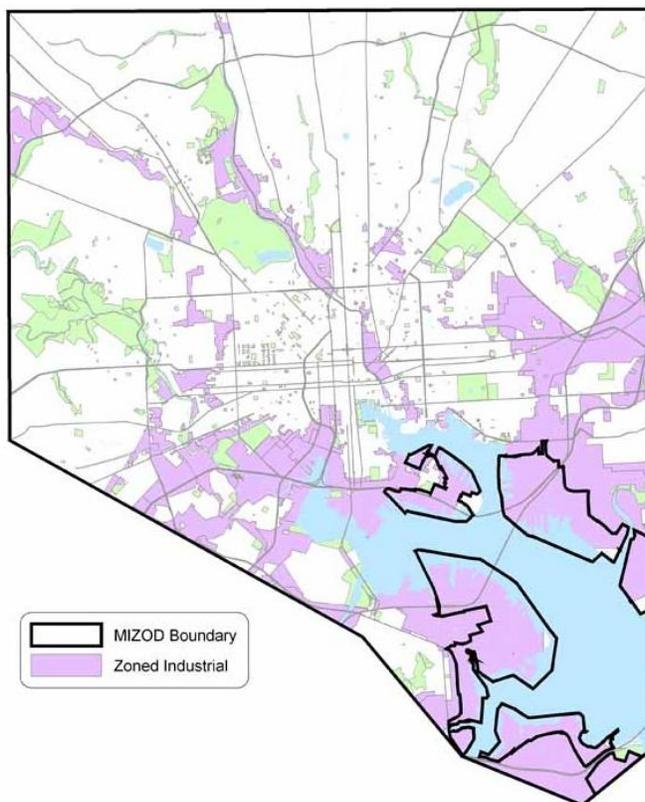
MIZOD Annual Report 2010

SUMMARY

The Maritime Industrial Zoning Overlay District (MIZOD) was enacted in 2004 to protect Baltimore's maritime industries by demarcating deep-water areas in industrial districts and reserving them for industrial use. The need for such protections arose during a real estate boom that greatly increased pressure to convert waterfront industrial properties to mixed-use with residential, largely through the use of Planned Unit Developments (PUDs). The MIZOD, therefore, preserves maritime properties with deep water, rail and highway access in order to protect maritime-dependent uses and intermodal freight movement. The boundaries of the MIZOD include existing waterfront and adjacent industrial parcels currently zoned M-3 (Heavy Industrial) in Canton, Fairfield, Curtis Bay, Hawkins Point, and Locust Point for maritime industrial use (see Map below).

As prescribed in the 2004 legislation, the Department of Planning and the Baltimore Development Corporation are required to produce an annual report that tracks the effectiveness of the MIZOD in retaining the City's maritime industries. This document serves as the MIZOD Annual Report for 2009-10, to be presented to the MIZOD Ad Hoc Committee, as established by Ordinance # 09-154.

Figure 1. MIZOD Boundaries



BACKGROUND AND HISTORY

Baltimore's waterfront is a defining feature of the City and is one of its most valuable assets. The waterfront is also an area that has undergone significant changes since the current City of Baltimore Zoning Code was adopted in 1971.

New mixed-use development along the waterfront has brought exciting new activity and investment into the City. Uncontrolled expansion of these new activities, however, could threaten the value of one of the City's major industrial engines, the Port of Baltimore. Competition between the promise of mixed-use development and existing port-related uses created a challenge for City decision makers, and ultimately led to the creation of the Maritime Industrial Overlay District in 2004 (Ordinance 04-804).

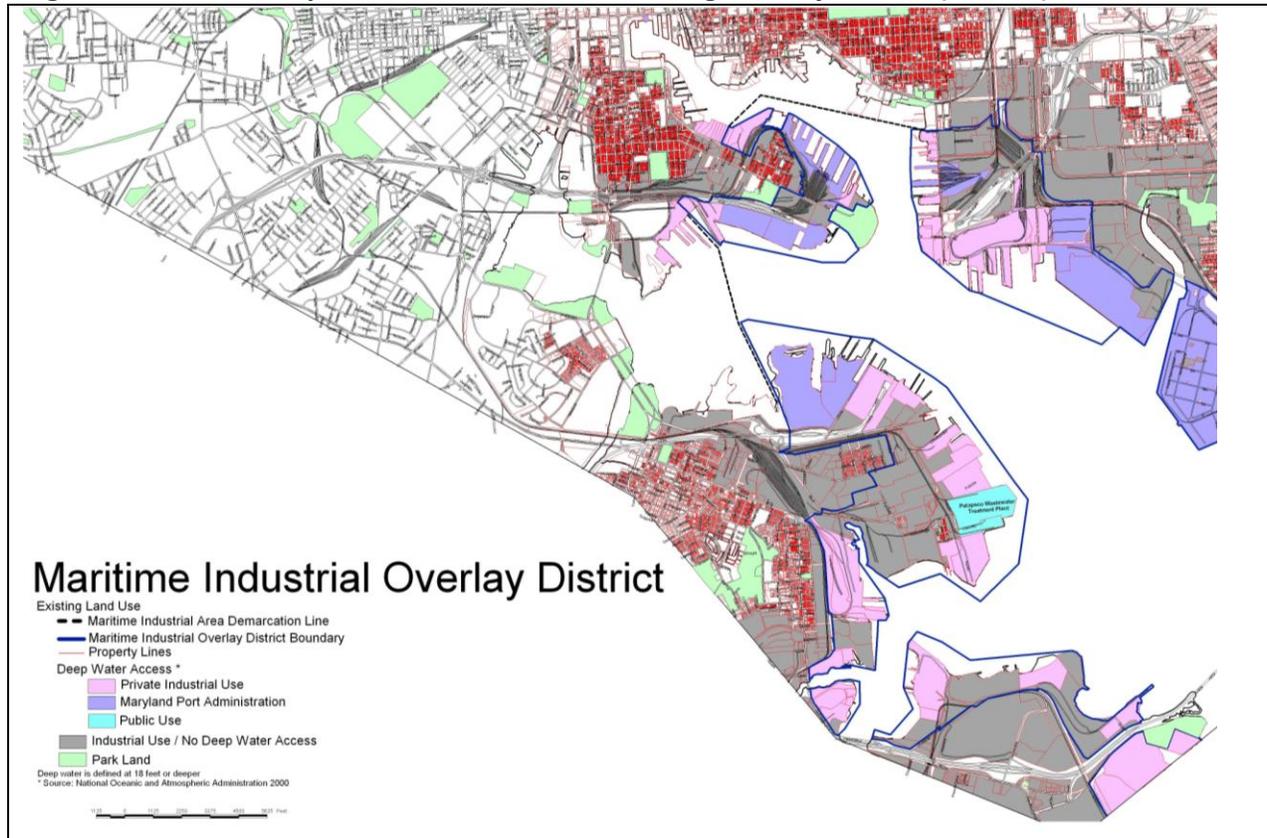
In general, it is difficult and costly for maritime and mixed uses to co-exist in close proximity to one another. Maritime shipping activity creates noise, dust, substantial truck traffic, unattractive and extensive outdoor storage areas, and twenty-four hour activity, all of which conflict with housing, entertainment and office uses. Yet, maritime users are extremely dependent upon access to deep water; they must also invest in expensive infrastructure and dredging that can only be justified if a long amortization period is evident. In addition, the expensive dredging required to maintain shipping access is only cost effective when terminal sites are clustered together, and not scattered among uses for which deep water access is not necessary.

A 2002 Baltimore Development Corporation study¹ reported that needed investment in port facilities was in danger of being deferred due to a rising level of uncertainty regarding the City's policies pertaining to changes of use. Given the realities of real estate economics, once deep water sites are rezoned for mixed use, it would be extremely unlikely, if not impossible, to regain them for maritime industrial use, irrespective of future need or economic necessity. Zoning is one of the few practical methods available for assuring the availability of deepwater access and adjacent lands for maritime shipping and related activities.

The goal of establishing the MIZOD, as an early step in the City's comprehensive rezoning efforts, was to balance the needs of both mixed use and maritime shipping, maximizing each to the extent possible without harming the other. Therefore, Baltimore's waterfront was categorized into two general districts: Mixed-Use and Maritime Industrial. In the first, mixed use would be allowed, enabled and encouraged. In the second, the MIZOD would protect maritime uses by prohibiting conversion of land to non-industrial uses. The intention of demarcating the waterfront into clearly defined mixed-use and maritime industrial areas was to help streamline the development process by avoiding costly and time-consuming delays associated with site-by-site decision-making regarding changes of use (See Figure 1). It is also intended to protect the integrity of the maritime area, avoiding the leapfrogging of mixed use into maritime areas that has begun to threaten continued public and private investments in the maritime commerce of the Port of Baltimore (see Figure 2.).

¹ *Industrial Land Use Analysis, City of Baltimore, Maryland*, prepared for Baltimore Development Corporation by Bay Area Economics, November 26, 2002, page 22.

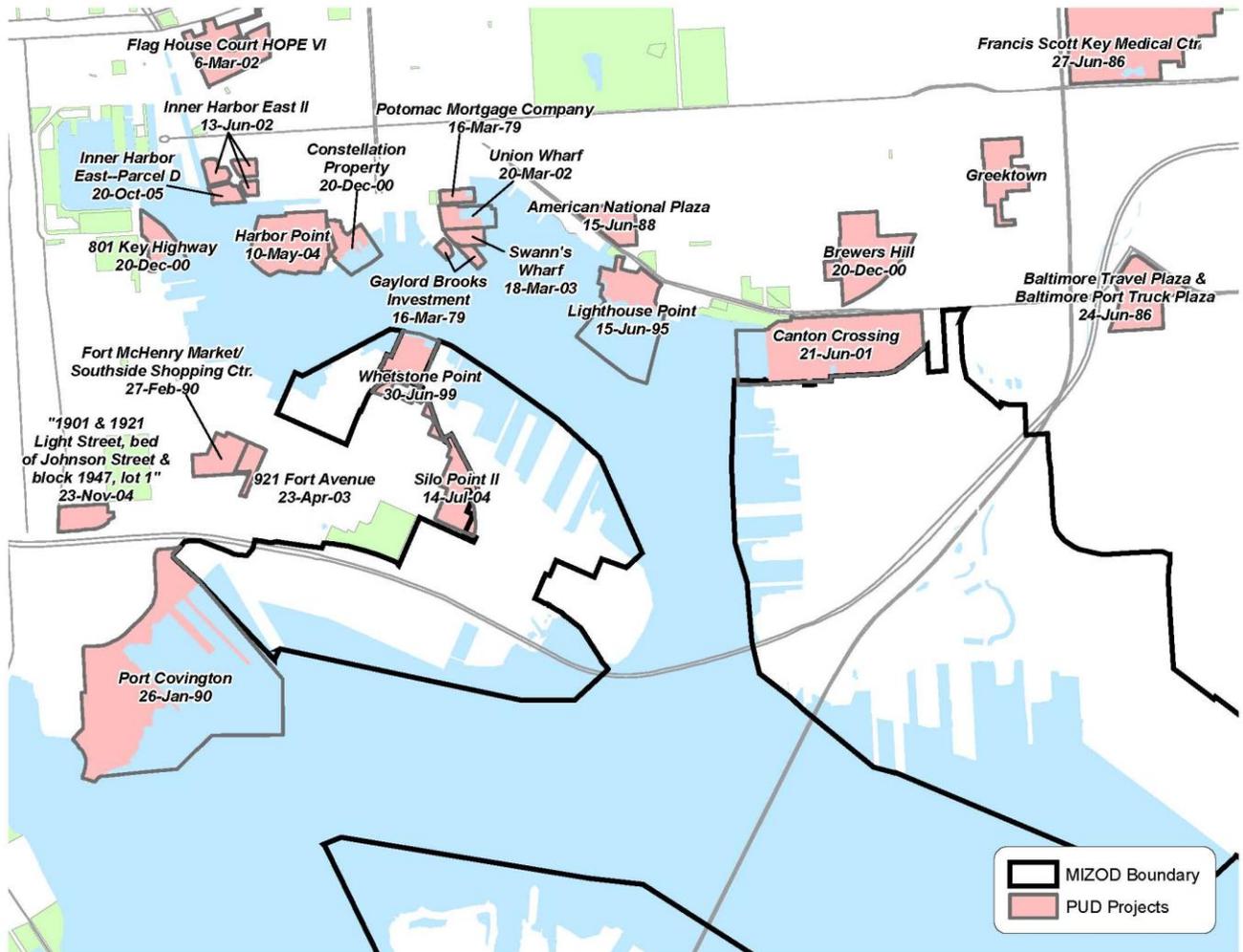
Figure 2: Detailed Map of Maritime Industrial Zoning Overlay District (MIZOD)



Properties included in the overlay district are existing industrial properties with deep water access that are also zoned “Heavy Industrial” (M-3), in portions of Canton, Fairfield, Curtis Bay, Hawkins Point, and Locust Point. The MIZOD preserves these areas for maritime industrial use by:

- Disallowing Planned Unit Developments (PUD), which are currently the principal method of accomplishing conversion from industrial to mixed use (See Figure 2).
- Prohibiting hotels, motels, taverns, and all other uses not permitted in an M-3 district,
- Allowing offices and restaurants as accessory uses only.
- Maintaining the underlying M-3 zoning,

Figure 3: Boundaries and Dates of Adoption of Planned Unit Developments (PUD) around the MIZOD



Annual Reports

As requested by Baltimore City Council (See Appendix A), a report on business activity in the MIZOD should be submitted on an annual basis. The goals of the reports are not only to assess the effectiveness of the MIZOD in retaining maritime businesses and facilitating their expansion but also to provide longitudinal information regarding strengths and weaknesses of the ordinance at the time of renewal (2024).

These reports include tracking of key economic indicators, detailed case studies of a small representative number of firms, and a bi-annual survey of firms that gathers information on existing and planned employment.

List of Indicators

- Amount of fixed-cost investments
- Number of permits issued in MIZOD
- Property taxes
- Total number of firms in MIZOD
- Volume of cargo movement

Past reports, case studies and surveys led to the following conclusions:

- 1) The Port of Baltimore offers an ideal location for conducting profitable business;
- 2) MIZOD protection allows companies to feel confident in making significant capital investment;
- 3) Current MIZOD legislation should be extended beyond 2014. This was accomplished in 2009 with the adoption of Ordinance 09-154 extending the MIZOD to 2024 (See appendix A);
- 4) Industrial areas need buffering from residential areas for safety and security;
- 5) Companies rely on local communities for their work force and desire to be good, long-term neighbors.
- 6) The Enterprise Zone program is an excellent retention tool for companies located in the MIZOD. The Enterprise Zone program can also be used to attract businesses that are looking to relocate to the MIZOD.

To complete the 2009 Annual Report, data was collected for all indicators, a survey of firms was conducted and a series of case studies were completed. The report will also delve into related issues that may impact the MIZOD, including TransForm Baltimore, the Zoning Code Rewrite and the Foreign Trade Zones Program.

In 2011, the annual report will include data collection for all indicators, and an input/output analysis to assess the regional impact of the MIZOD in retaining and expanding forward and backward economic linkages with industries in the MIZOD (i.e. suppliers, distributors, business support services, etc.). A ten year report would then be prepared in 2014 that continues tracking data for all indicators and provides a longitudinal analysis of MIZOD's 10-year history

based on indicators collected, survey results, and economic impact statements in annual reports. This analysis will inform public policy regarding renewal, modification or extension of the MIZOD in the future.

MIZOD INDICATORS, 2000-2009

Fixed-Cost Improvements and Permits Issued

Permit data was collected for properties in the MIZOD between 2000 and 2009. The total amount of investment, based on permit applications totals over \$236.7 million in less than 10 years.

Although the annual totals varied greatly on a year-to-year basis, the average amount of investment per year since 2000 has been \$26.3 million. The number and total value of permits and fixed investments were significantly lower in 2008 and 2009, which may be attributable to the collapse of financial markets and a global recession during that same time period. Despite the economic downturn, the average value per permit remained within the range of previous years, not including 2000 which had a single \$43 million permit, which greatly inflated the average for that year.

The average *value* per permit had been steadily rising between 2001 and 2006. The rise was attributed in part to the rising cost of raw materials and repair but was also reflective of businesses continuing to invest in their properties to stabilize or expand their operations. This data was not collected in 2007.

Table 1. MIZOD Permits, 2000-2009

Year	Cost of Work	# of Permits	Avg. Value/permit
2000	\$ 88,853,593	87	\$ 1,021,305
2001	\$ 10,595,039	45	\$ 235,445
2002	\$ 23,321,841	83	\$ 280,986
2003	\$ 17,853,304	59	\$ 302,598
2004	\$ 17,739,608	52	\$ 341,146
2005	\$ 20,026,329	50	\$ 400,526
2006	\$ 52,008,932	67	\$ 776,252
2008	\$ 1,450,000	6	\$ 241,667
2009	\$ 4,880,000	12	\$ 406,667

Property Taxes

City property taxes and property tax credits for all properties in the MIZOD were summed for each Fiscal Year between 2001 through 2009. Private property tax receipts from within the MIZOD have been steadily increasing since 2001, Although the total taxes less credit for private properties has increased between 2001 and 2009, there is a dampening effect due to increasing

use of available tax credits issued for enterprise zone investments within the MIZOD (see below for program description). The number of private properties receiving enterprise zone credits increased from 8 in 2000 to 22 in 2007. In 2009, the number of companies receiving a credit is back down to 9, but the dollar value of tax credits issued is now over \$1.1 million. Both of these trends are indicators of capital investment and/or employment levels within the MIZOD, and seem to demonstrate rising investment and employment. It also shows a long-term commitment to, and confidence in, the stability that the MIZOD provides.

Table 2: Property Taxes

	2001	2003	2005	2007	2009
All Properties Tax Less Credit*	\$5,584,945	\$5,538,657	\$5,907,383	\$6,107,690	\$ 7,082,468
Private Properties Total City Tax	\$5,662,687	\$5,730,010	\$6,102,307	\$6,324,591	\$ 7,398,330
Credit Amount to Private Property	\$257,953	\$367,519	\$406,342	\$418,319	\$ 1,130,862
Private Property Tax Less Credit	\$5,404,734	\$5,362,491	\$5,695,965	\$5,906,272	\$ 6,267,468
# of Properties Receiving Credit	8	16	20	22	9

* Includes PILOT paid by the Maryland Port Administration/MDOT to the City of Baltimore. In 2008 and 2009, the PILOT was \$815,000 per year.

Enterprise Zones

The State of Maryland Enterprise Zone (EZ) Program was established in 1982 as an economic development tool to stimulate job creation and business investment through the use of real property tax and employment tax credits in specific areas of the State. To further stimulate economic growth, Baltimore City received a Federal Empowerment Zone designation in 1994 to foster sustained economic opportunity and promote community revitalization through employment tax credits, job training, and loan programs to assist community residents and businesses. Baltimore City Empowerment Zones are within the boundaries of the State Enterprise Zones enabling businesses to benefit from both programs. The Baltimore Development Corporation (BDC), the City’s economic development agency, administers the Enterprise Zone Program and Empowerment Zone certification.

The continuing goals of expanding the Enterprise Zones include a focus on providing incentives to encourage development, redevelopment, and revitalization in valuable areas of the City of Baltimore to:

1. Attract new investments in underutilized industrial / commercial areas.
2. Provide incentives for the creation of new jobs targeted to area residents. The jobs should offer a combination of full and part-time positions as well as skilled and unskilled employment opportunities.
3. Stimulate major capital investments by existing and new business and property owners. These investments will add significantly to the City's tax base, encouraging the use of local labor to the greatest extent possible for the implementation of capital improvements.
4. Retain and attract distribution, manufacturing related operations as well as industrial/commercial redevelopment in these newly expanded areas.

Eligibility for tax credit program

A business is eligible for the tax credit program if it makes a capital investment in its property (i.e., constructs or renovates a building, or expands an existing facility) or hires at least one new employee in the EZ. Commercial as well as industrial projects are eligible.

Property Tax Credit

A ten-year credit against local real property taxes is offered for business improvements or new construction. The credit is based on new property taxes generated as a result of the expansion or new construction. In years 1-5, the jurisdiction where the operation is located will waive 80% of the new property taxes generated. In years 6-10 the credit decreases 10% annually.

Total Number of Firms in MIZOD

The following method has been used to generate a current list of firms in the MIZOD:

1. Property addresses in the MIZOD obtained from the Real Property file (Department of Planning)
2. MIZOD addresses queried on Stewart's Directory (BDC) to show firms listed at the address
3. Duplications/non-qualifying listings removed using the following protocol:
 - City-owned lands removed (mostly City-owned housing)
 - Landlords/leasers removed (not counted as firms in the MIZOD)
 - Firms with multiple locations/addresses (e.g. State of Maryland) in the MIZOD were counted once
 - Firms listed with previous and current names were counted once

In 2010, the previous year's list of firms was checked against a new query on the Stewart's Directory for additions or deletions. The total number of firms operating in the MIZOD,

according to Stewart’s Directory, is down slightly from 2007. Again, that may be due in part to the worldwide economic downturn and its impact on overall trade volumes. Despite the decline, however approximately 100 firms are now on the list that did not appear in 2007. Unfortunately, because this is a third-party service, the accuracy of the list from year to year is difficult to quantify, but does give a snapshot of what is happening in the area.

Total Number of Firms: 164

Table 3: List of Firms in the MIZOD—2009

A & Jc Transportation Inc*	Davis Lift Truck Svc	MPG Transport Ltd
A H Gardner & Son Co*	DDI Transportation Inc*	Msor Partners
A J Sackett & Sons Co*	Delta Chemical Corp	National Gypsum Co
Achieve Solutions Inc*	Den-El Transfer Co*	Naval Mobile Inshore Undersea*
Active Transportation Co*	Domino Sugar Corp	P Flanigan & Sons*
Alcoa Aluminum Co*	Drivetrain Specialist Inc*	Pasadena Forklift
American Isuzu Motors	Earl's Amusement*	Petro Express Co
American Port Services	Engineered Products Plastics*	Port Truck Stop*
Andrew Vazquez Inc*	Exxon Mobil Fleet Operations	Quality Port Processors Inc
Angel Environmental Svc*	Fabricators Steel*	Raven Technologies Inc*
Apex Oil Co*	Fairfield Properties	Resort Foods*
Athens General Contractors Inc*	Fmc Corp	Rhodia Inc*
Atlantic & Gulf Grain*	Fountainhead Title Group*	Rukert Terminals Corp
Atlantic Welders Inc*	Free State Steel*	S T Svc Inc*
Atotech Usa Inc	Freeport Centre*	Sadowski Towing Co*
Auto Elite Transport Inc*	Gamlen Chemical Co*	Safe Risk Management Systems*
Autocomm Inc	Gasmark*	SAI
Automatedadvertising.Com*	Geo Specialty Chemicals	Sasol North America Inc
Ayers-Saint-Gross Inc*	Goldnet Internet Soltuions*	Sdj Investments Inc
B & F Svc	Gray Kirk Vansant Advertising*	Seaboard Asphalt Products Co
Baltimore Cargo Tank Svc	Great Lake Dredge & Dock*	Seaway Coating Inc*
Baltimore Crane Rental*	Griffith Energy Svc	Seva Group*
Baltimore Metals & Commodities*	Hale Trans*	SGS Automotive
Baltimore Pipe Inc*	Hobelmann Port Svc	SGS Control Svc
Beacon Stevedoring Corp*	Holdridge Engineering Co*	Steel Specialties*
Benhill Steel Inc	Ho-Ro Trucking Co*	Strang Trucking Co*
Bitumar Usa Inc (Amoco)	Hydratec Inc	Stratus Petroleum Corp
Blue Sky Factory Inc*	Independent Freight Ways Inc*	T C Burkhardt Fuel Oil Co*
Bluefire Security*	Industrial Construction*	T K Trucking Co*
Bmct*	Industrial Systems Assoc Inc	Tate & Lyle*
Brown & Craig Inc*	International Telecom*	Tide Point Fitness*
Brown Diffenderffer & Kearney*	Intertek-Brett Caleb Usa Inc	Tidewater Yacht Svc Ctr Inc*
C Steinweg	J & A Body Shop	Today's Office Staffing*

MIZOD Businesses (cont.)		
Can-Do Construction Co*	J & C Vending Co*	Tony's Diner
Canton Maritime Svc Inc	J & L Vance Construction*	Transoceanic Cable Ship Co
Castro Arts*	K Line America	TTX Co*
Cargill Inc*	Johnstown Welding Fabrication*	Tri State
Central Oil Asphalt Corp	Keystone Ship Berthing Inc*	Tyco Electronics
Centurion Auto Transport*	L L East Coast Granite Works*	Ugi Energy Svc Inc*
Ceres Marine Terminal	Land Rover Of North America*	Under Armour Performance Apparel*
Cheron Usa Inc*	Lebanon Chemical Corp*	United States Gypsum Co
Chesapeake Coating Inc*	Lehigh Portland Cement Co*	US Fleet Svc Inc*
Chevron Products Co	Liquid Transfer	US Rhodia*
Chrysler International*	Mace Electric	Utility Revenue Mgmt Co Inc*
Citgo Petroleum Corp	Major Packaging Products	W R Grace Maryland
Clinton Street Marine*	Marine Repair	Waggoners Trucking Inc*
Coastal Transport Inc*	Martin G Imbach Inc*	Wallace Computer Svc*
Colonial Pipeline Co	Martin Lauser Assoc	Waste Control Svc Inc*
Condea Vista Co*	Maryland Tire Co*	Westway Terminal Co*
Conoco Phillips*	Metson Marine Svc Inc*	Weyerhaeuser Building Products*
Consolidation Coal Co*	Millennium Inorganic Chemicals	Wheelabrator Water Techs
Container Care Baltimore Inc*	Miners Fuel Co Inc	Wire Productions Inc*
Container Parts Inc*	MOAG & Co*	Xavier Healthcare Svc Inc*
Contract Materials Processing	Moss Marine Usa Inc*	Xtra Lease Inc
Crown Central Petroleum Corp*	Maryland Port Administration	CSX Transportation, Inc.
Wallenius Wilhelmsen Logistics		

**Companies not in 2007 report*

Volume of Cargo Movement

In 2009, there were 1,713 vessel calls, or a 10.9% decrease in since 2008, due to the global recession. As shown in Figure 5, the number of vessel arrivals in the Port of Baltimore had risen from 1,845 calls in 2000 to a high of 2,119 calls in 2005, with slight declines through 2009. With respect to differing rates of annual fluctuation in vessel calls between private and Maryland Port Administration terminals, there tends to be greater fluctuation at private terminals compared to MPA terminals due to the fact that private terminals handle primarily bulk cargo (raw materials), while MPA terminals handle primarily general cargo (higher value semi-finished and manufactured goods).

The total value of cargo moving through the Port in 2009 was \$30.2 billion, resulting in a #12 ranking in the U.S. for the value of foreign cargo.

Table 4. Cargo Activity at the Port of Baltimore

WATERBORNE Cargo Movement	2007	2008	2009
Vessel arrivals	2,031	2,034	1,713
MPA Terminals	1,386	1,380	1,229
Private Terminals	645	654	484
Tons - foreign cargo (less LNG)	27,620,000	32,482,000	20,926,000
annual % change	-1.8%	17.6%	-35.6%

Figure 4. Cargo Volume at the Port of Baltimore

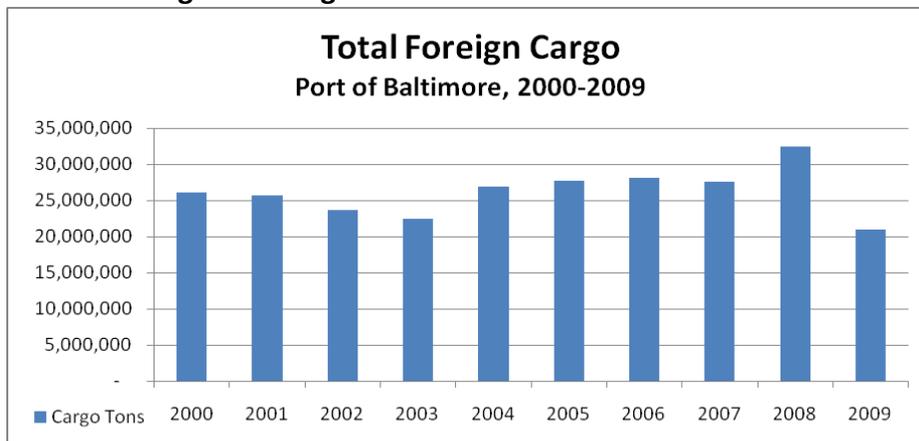
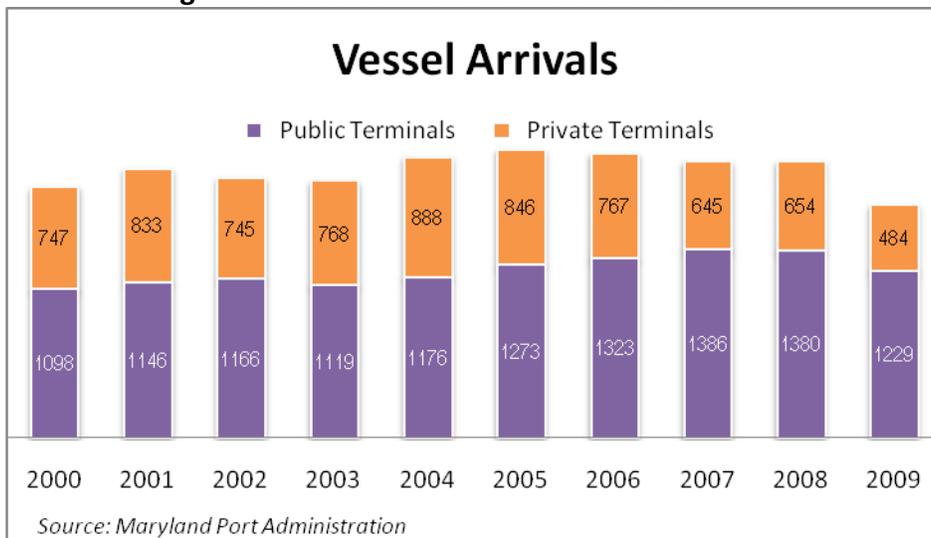


Figure 5. Vessel Arrivals at the Port of Baltimore



Prior to the recession, the steady growth in vessel calls at MPA terminals was attributed to MPA’s long-term lease agreements with major shipping lines, which are leaders in their market segments. In particular, Wallenius Wilhelmsen Logistics (WWL) (roll-on/roll-off and automobiles) has made long-term commitments to Baltimore, and their vessel calls and cargo shipments have been growing steadily. WWL has expanded their operation to include a 72 acre vehicle processing center that will eventually process 124,000 vehicles. WWL employs 3,200

people and deploys 55-60 modern eco-friendly vessels, serving 20 trade routes to five continents. WWL welcomed Japanese automaker Subaru to the port in 2006. Through this expansion WWL currently occupies 150 acres at the Dundalk Marine Terminal. WWL transports 3.3 million vehicles annually -- 1.7 million by sea and 1.6 million inland. In 2009, the Port was ranked #1 in the country for imported roll on/roll off (RO/RO) cargo, sugar, gypsum and forest products. The Port also ranked #2 for the exporting of automobiles and trucks. Westway Terminals provides liquid storage facilities for many international companies has constructed new 10 million gallon tanks and new rail truck loading areas and dock lines at the port.

Long term fixed investments also include the commitment by Ports America Chesapeake to construct a new 50 foot berth to accommodate larger ships at Seagirt Marine Terminal, as part of a long-term 50 year lease with the Maryland Port Authority. The deeper berth is necessary to accommodate larger ships that will begin making east coast port calls from Asia, once the Panama Canal expansion is opened in 2014. The Port of Baltimore will be one of two U.S. East Coast ports immediately capable of accepting the larger vessels. In addition to \$15.7 million annually in state tax revenue, the deal will result in the creation of 5,700 jobs, including 3,000 temporary construction jobs and 2,700 permanent port-related jobs. In 2010, Rukert Terminal also completed the construction of a 50-foot berth and purchased a new, larger cargo crane in preparation for the arrival of the larger ships.

“This expansion is a textbook example of what the Maritime Industrial Zoning Overlay District can accomplish here in the Port” John Coulter, President, Rukert Terminal, Port of Baltimore Magazine, September/October 2010

MIZOD SURVEY OF FIRMS

In the spring of 2010, the Baltimore Development Corporation (BDC) and Department of Planning (DOP) teamed up with the Baltimore Industrial Group to develop the MIZOD survey. The survey was designed to capture the effectiveness and visibility of the MIZOD, business structures, transportation issues, and general business climate. The survey was administered using the website Survey Monkey. Businesses were asked to respond to 45 questions that were divided into the following nine sections: 1) Survey Introduction; 2) MIZOD; 3) Firm Information; 4) Transportation; 5) Future Plans for the Business; 6) Site Information; 7) Future Plans for the Site; 8) Employment; 9) Comments/Suggestions. A copy of the survey may be referenced at the end of this report in Appendix C.

The survey was disseminated via email, with the help of the Baltimore Maritime Exchange (BME), the Baltimore Port Alliance (BPA), the Maryland Industrial Technology Alliance (MITA), the Maryland Motor Truck Association (MMTA), the South Baltimore Business Association (SBBA), and Community Advisory Panel (CAP). These associations graciously agreed to assist the BDC with the dissemination of the survey. By allowing these organizations to send the survey out to its own members, the BDC was hoping to maximize the response rate of the survey. The survey was sent to an estimated 1,200 people via email. It should be noted, however, that

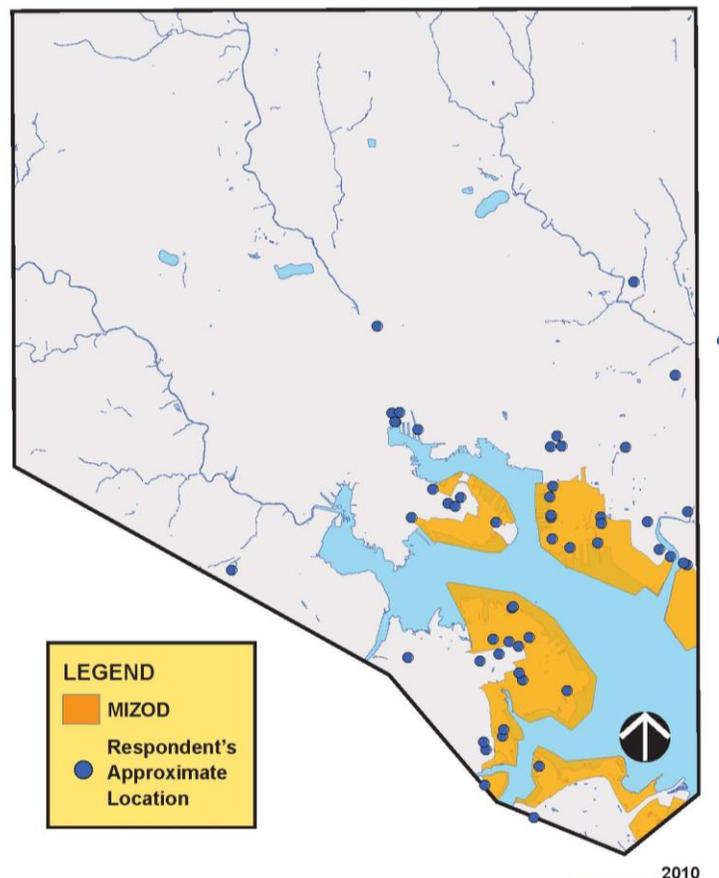
many of the member lists contained some overlap. Consequently, it is probable that fewer than 1,200 individuals received the survey. Despite the overlap in email addresses, sending the survey through the organizations assured that the survey would reach an individual, rather than a mailroom. The organizations also sent out two reminder emails to their members to encourage them to complete the survey.

The survey remained active online for one month. In all, 134 responses were generated. Of those responses, 63 surveys were filled out completely, for a completion rate of 47%. This means that a little less than half of those people that started the survey actually made it to the last page. This may be a factor of the survey's length. With 45 questions, the survey took some respondents up to an hour to fill out completely. In addition, many respondents filled out most of the survey, but did not wish to disclose financial or employment information. These factors contributed to the varied completion rate. All responses will be used in the following analysis, regardless of whether or not the respondent answered all questions.

2010 Survey Results

The following analysis uses all the information provided by respondents, whether or not they were located in the MIZOD. As illustrated in Figure 6. below, most respondents were located in or close to the MIZOD. Bar graphs and other charts representing the results for key survey questions are also presented.

Figure 6: Location of Survey Respondents



In order to learn more about the survey respondents and to set the context for the following MIZOD analysis, the first part of this analysis focused on these survey sections: firm information, site information, employment, transportation and future plans. This analysis is then followed by a more thorough look at the MIZOD section of the survey.

Survey Introduction

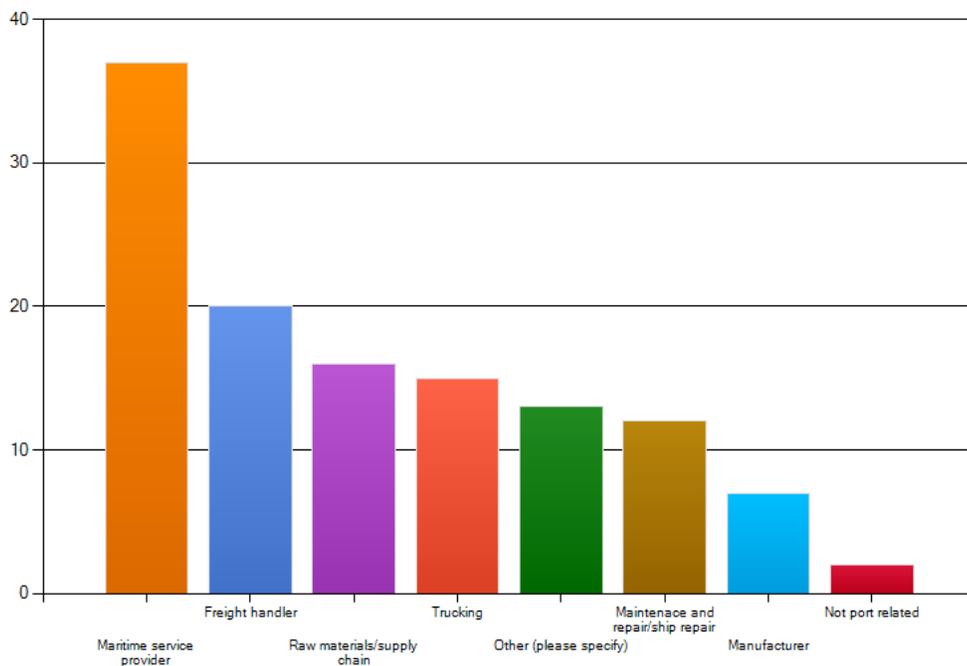
The Survey Introduction contained an explanation of what the MIZOD was and why the survey was being administered. Respondents were asked for a street address so that their approximate location could be determined.

Firm Information

This part of the survey gathered information about the respondent’s firm. Most respondents, 82%, said that their firm’s operation relied on proximity to deep-water access. Of those respondents, most classified their businesses as maritime service providers. The average number of years that firms reported operating in Baltimore was 53.5, which reflects the long industrial and maritime heritage of the MIZOD area. Respondents also indicated that they had operated at their *current site* for an average of 27 years, and half of the survey respondents reported that they leased their site, while the other half owned the property.

When asked about the total revenue generated, responses ranged between less than \$5 million per year and more than \$25 million per year. This wide range indicates a mix of small and large businesses in and around the MIZOD. Despite the differences in revenue, 82% of respondents indicated that their business paid less than \$1 million in corporate taxes in 2009. There may be more variation in the amount of taxes paid under \$1 million; future surveys could address this.

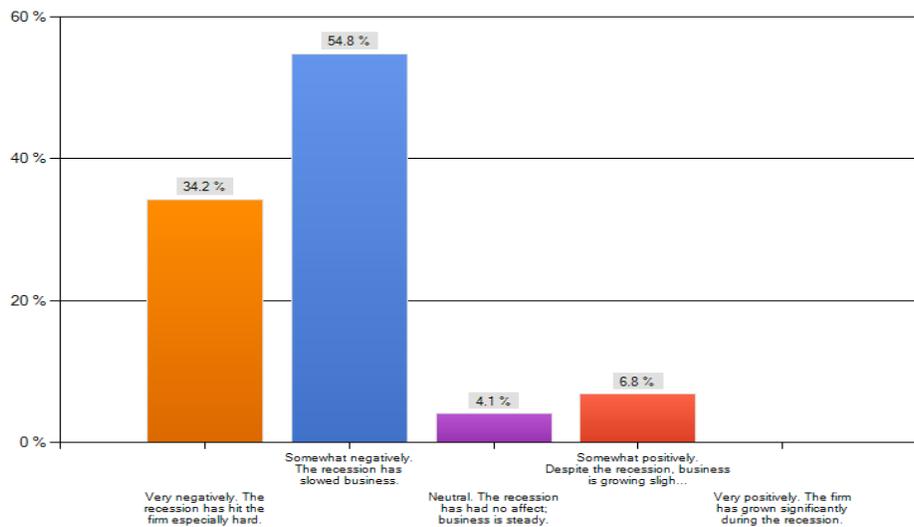
Figure 7: Activities of Maritime-Dependent Firms



A majority of respondents, or 54%, reported the use of off-site support facilities. Of those who had off-site facilities, most were logistical support. Warehouses and “other” were also frequently listed as type of off-site facilities.

The recession reportedly affected most respondents negatively; with 55% reporting that business had slowed somewhat and 34% reporting that the recession hit their firm especially hard.

Figure 8: How has the Recession Impacted MIZOD Firms



Site Information

Respondents were also asked questions about their property. The average size of the property was 18 acres. It is important to note that *this number excluded MPA’s public terminals, which occupy 1,111 acres*. The average amount of office space reported was 13,000 square feet; additionally, an average of 250,000 square feet of warehousing and pier space was reported. One in two respondents felt that they had sufficient space to expand if necessary, or conversely, 50% reportedly may not have sufficient room for expansion in the future.

- Average size of business: 18 acres (784,000 sf)
- Average office space: 13,000 sf
- Average warehouse/pier space: 250,000 sf
- 51% felt they had sufficient area to expand

Employment

To gauge the effect of MIZOD businesses on area employment, the survey included multiple questions about number of employees, wages, and residency of employees. The average number of employees that respondents reported was 76. Of those employees, 74% were hourly workers and 26% were salaried

- Average number of employees: 76
 - 74% hourly employees
 - 26% salaried/professional employees
- Average wages: \$53,000/year
- 90% are full-time employees
- Approx. 1/3 are Baltimore City residents

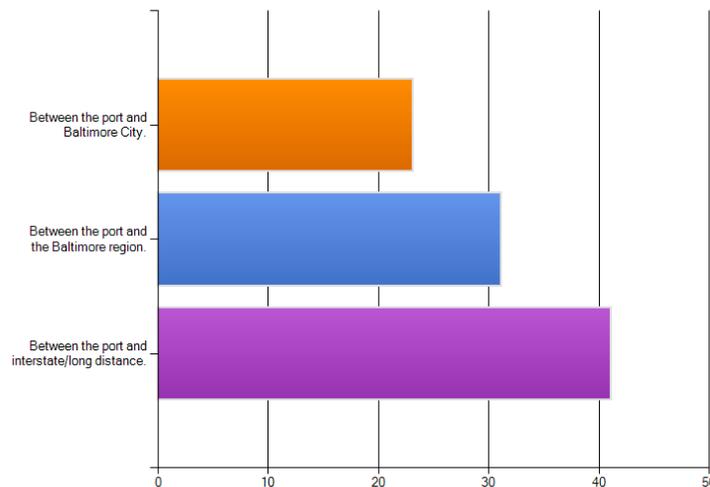
professionals. The average annual wages of the hourly workers was \$45,000. For the professionals and managers, the average annual wages was \$79,000. Most of the employees, or 90%, were reported to be full-time workers. The survey respondents estimated that approximately one-third of their employees are city residents.

Transportation

The transportation section of the survey was included to better understand survey respondent’s transportation needs and uses. Seventy-five percent of respondents said that they generated truck activity, while 25% did not. Of those who generated truck activity, a large majority hired independent haulers, as opposed to using their own fleet of trucks. In general, the truck routes used by survey respondents traveled nationally, regionally, and locally. More trucks travel from the port to regional and national locations than between the port and a Baltimore City location.

Approximately half of all respondents indicated that they used rail at some point in their supply chain. Most respondents, 57%, reported that they had rail access if they needed it. Of those with access, 60% reported that their rail lines were active. Nineteen% said that their rail access was not active while 21% marked not applicable.

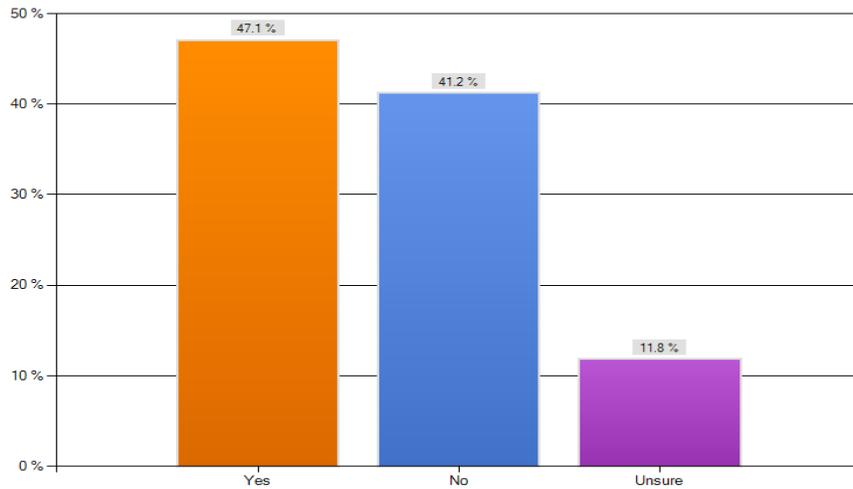
Figure 9: Origin & Destination of Truck Traffic



Future Business Plans

The survey attempted to capture the economic climate that respondents were facing at the time of the survey by asking respondents to think about the future. Their outlooks were highly positive: 70% were anticipating to grow in size and 66% were planning on hiring more employees in the future. Nearly half, or 47%, were planning on making short-term capital improvements or product line enhancements, and 73% reported that they were not expecting any need for restructuring their firm. Additionally, 64% of respondents were not considering relocating their business, while 28% were unsure. A small fraction, or 8%, were considering relocation.

Figure 10: Is Your Firm Planning Future Investments

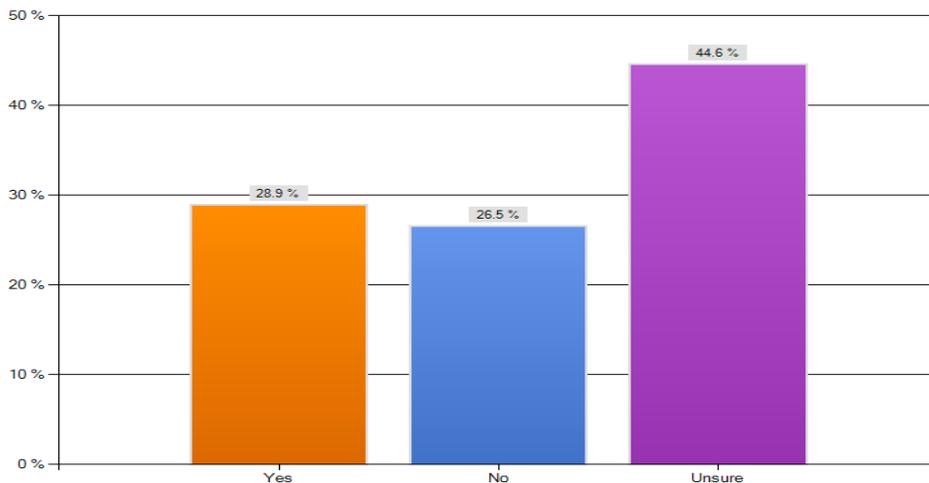


The construction sector still seems to be challenging, though, as only 36% reported that they were going to be completing construction or site improvement in the next five years. Forty percent said that they were not planning to complete any new construction, and 24% were unsure.

MIZOD Specifics

The second section of the survey asked respondents to focus on the MIZOD. Respondents were notified that this section of the survey was especially important for gauging the effectiveness of the MIZOD legislation. According to the survey results, most respondents, or 69% were aware of the MIZOD. A large majority of respondents, or 77%, were supportive of the MIZOD legislation when it was enacted in 2004, while 23% were neutral or not involved. No respondents were unsupportive of the legislation. In general, survey respondents were aware of the MIZOD and were very supportive of the legislation, which provides important context for the following analysis. Additionally, 59 % were also aware of the MIZOD extension in 2009.

Figure 11. Has the MIZOD Alleviated Development Pressures on Your Business?



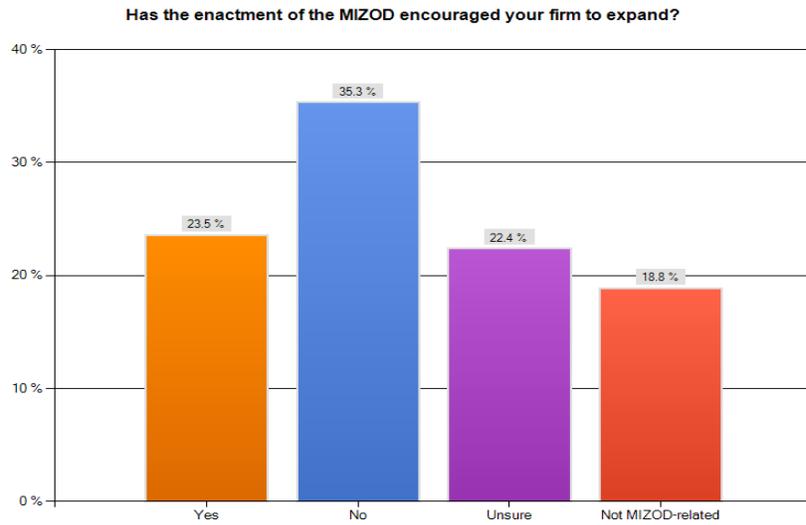
Most respondents, 80 %, had not been approached by residential developers since 2004. Six respondents, or 7 %, had been approached by a developer since the MIZOD was enacted in 2004; while 13 percent were unsure. While it isn't possible to compare these numbers to what was experienced before the MIZOD was enacted, this may indicate a relative stability in the area. While 80% of respondents indicated that developers had not approached them, there could be various explanations for this. The recession may have hindered residential development and dampened the level of speculative investment. Also, the enactment of the MIZOD may have adequately discouraged developers from pressuring industrial property owners. It is significant, however, that despite MIZOD protection, developers are still approaching property owners for speculative purposes, further demonstrating the need for ongoing MIZOD protection.

When asked if the MIZOD had alleviated developmental pressure from their businesses, 45% of respondents were unsure, while 29% said yes and 27% said no. These numbers seem to indicate an uncertainty for individual firms in determining how developmental pressures were impacted by the MIZOD.

Finding the balance between residential development and industrial use is essential, as 50% of respondents indicated that encroaching residential development would affect their decision to stay/leave the city. It is encouraging, then, that 62% of respondents said that they had not received complaints from the surrounding neighborhoods about the sight, smell or noise of their business. Additionally, 54% of respondents said that encroaching development had not affected the way the firm conducts business. However, here it is important to note that almost one-third of respondents reported that non-port related development had indeed affected the way that they conducted business.

Overall, most respondents, or 60%, reported being satisfied or very satisfied with the MIZOD, while 39% were neutral and 1% were unsatisfied. Respondents also commented that the MIZOD allowed them to forecast 10 years into the future and that the MIZOD provided protection for their investments. One respondent noted that the MIZOD was a major factor in the business's decision to invest in Baltimore. Others, though, indicated that more needed to be done to protect industrial uses permanently.

Figure 12. MIZOD Impact on Firm Expansions



Survey Conclusions

Firms surveyed in this report seemed to be generally aware of the MIZOD. That is, they were familiar with the original legislation and most were familiar with the MIZOD extension. In addition, a large majority of the firms surveyed were “very supportive” of the legislation. This result may be expected because many of the organizations that assisted with the dissemination of the survey were port-related organizations that were also supportive of the MIZOD.

Although firms are aware of the MIZOD, they seem to be uncertain as to how it directly affects their business. While a large majority of the firms are not feeling pressure from retail and residential developers, they are unsure whether or not developmental pressure has been alleviated because of the MIZOD. Nevertheless, 30% attributed the MIZOD with directly reducing pressure from developers.

While 80% of respondents had not been approached by a residential developer since the passage of the MIZOD, six respondents (7%) reported that they were contacted by developers interested in their property for redevelopment, another 13% were unsure if any contacts had been made. Without knowing when these contacts took place (soon after MIZOD enactment, pre-recession, post-recession), it is difficult to draw hard conclusions. It may be possible that the recession slowed speculative land purchases. However, because the MIZOD was enacted in 2004, well before the recent recession was in full swing, it is likely that the MIZOD did act as a protection to the industrial uses from developmental pressures on some level. The MIZOD, therefore, appears to be having the intended effect of slowing conversions and maintaining a balance between residential development and industrial uses around the Port of Baltimore. Continued speculation pressures, even if limited, may also imply that some mixed-use developers are assuming the MIZOD will sunset or be substantially amended in 2024.

MIZOD IMPACT: CASE STUDIES

The impact of the MIZOD reaches far beyond its delineated borders. This section of the report highlights some of the ways that the MIZOD affects businesses located inside and outside the zone. While the MIZOD was enacted to protect the maritime industrial uses in and around the Port of Baltimore, many other companies and local businesses rely on the success of the MIZOD for their own success. Businesses throughout the region use the port and the industrial companies within the MIZOD to access international markets, to ship essential supplies, to manufacture, refine, and assemble components of their products, and to sustain the general operations of their business.

The stories of eight local and national businesses, and their connections to the MIZOD, are documented below to help illustrate the larger impacts of the MIZOD on the City and regional economy. Although not mandated by the MIZOD legislation, the inclusion of these case studies in the 2010 Annual Report provides additional insight into the importance of maintaining and monitoring the MIZOD.

Each of the businesses featured in this report were interviewed by BDC staff members. The interviews were open-ended and conversational, but focused mainly on the company's background in Baltimore, its current operations, and its connections to the MIZOD.

The companies featured in this report represent various components of an industrial supply chain, including freight forwarders, warehousing and distribution companies, and wholesalers. They were chosen for case studies by BDC and the Department of Planning, with assistance from the Baltimore Industrial Group and the Maryland Port Administration.

MIZOD Impact: Case Study

Goetze's Candy

Location: 3900 East Monument St, Baltimore, MD 21205
Representative: David Long, Vice President of Finance
Interview Date: March 26, 2010

Company Background and Operations



Goetze's Candy has operated in Baltimore since 1895, when it was established by the Goetze family as the Baltimore Chewing Gum Company. In 1917, the company began making cream-filled caramel candies. The soft caramel candies, called Caramel Creams, became the company's signature item. Today many versions of the caramel cream candies are in production at the Baltimore site, including the Cow Tale and the Mini-Cow Tale. There are many flavors, too, including licorice, double chocolate, strawberry and apple. The Caramel Creams are wrapped in a red-and-white wrapper that has become a trademark of the company's candy-making tradition.

The company has been located at its East Monument Street site since 1928, where it currently produces, stores and distributes its products to every state in the country. In addition, the company has a number of international customers, recently exporting to Russia, China, and countries in the Middle East.

Even with such an extensive reach, Goetze's Candy only manufactures its candy in Baltimore. Its commitment to remaining in Baltimore is apparent in many aspects of the company. Last year the company completed a 5,000 square-foot on-site expansion to its shipping department, which will allow the company to eventually expand its manufacturing capabilities in Baltimore. Currently in its 5th generation of Goetze family leadership, the company employs 100 people. Seventy to 80 percent of the employees are production-line workers, and of those workers, the company estimates that 80 percent are Baltimore City residents. The company strives to use local machine shops, wholesalers, distribution companies, and suppliers wherever possible for their purchasing requirements.

Connection to the MIZOD

Although not located within the MIZOD, Goetze's Candy relies upon companies within the MIZOD. Two of the most critical inputs for manufacturing Caramel Creams comes directly from the MIZOD. First, their sugar is trucked in from Domino Sugars, which is located in the MIZOD. In a typical year Goetze's uses approximately 2,000,000 pounds of sugar.

Second, Goetze's trademark candy wrappers are all shipped via the Port of Baltimore by a company in Spain, that Goetze's has used for the past decade. Although Goetze's looked at domestic suppliers for the twist wrap, it could not find another company that met their quality standards. The production machines that are used to cut the wrappers move very fast, in very specific cutting patterns, and the wrappers produced in Spain have performed very well within this process. On average, Goetze's ships in 14 container-loads of the wrappers per year, or 560,000 pounds of plastic wrap.

In addition, Goetze's points out that it has many other, less-concrete but equally important, ties to the MIZOD. Many of their machine parts are fabricated or repaired by vendors within the MIZOD. In addition, the company uses skilled production line and machine repair workers, many of whom have experience working for other manufacturing companies within the MIZOD. Over the years, Goetze's notes that it has had a more difficult time finding these workers because, as manufacturers leave, so do these highly trained workers.

The Case for the MIZOD

When asked what would happen to the company if the Port of Baltimore no longer existed, David Long, Vice President of Finance for Goetze's Candy, speculated that the impact on costs and long-term planning would be tremendous. If any point of the supply chain became longer, it would have a very negative effect on the price of the product. The wrappers would have to come in from somewhere else, which would make it more difficult to plan lead-time between orders and receipt. With Domino Sugar located only 6 miles away, the company benefits from immediate availability of product as well as decreased freight charges. Without the sugar coming in directly from the MIZOD, the candy company would face increased costs for one of their main ingredients. Long put it this way: "If we were presented with the prospect of 'there is no more Port,' the quick answer might be, 'you know, we don't really do that much with the Port,' but when you sit back and think about it. ...I think you'd be shocked and surprised what else would disappear."

MIZOD Impact: Case Study

Monumental Supply Company

Location: 401 South Haven Street, Baltimore, MD 21224
Representative: Ed Zimmerman, President
Interview Date: April 1, 2010

Company Background and Operations



Monumental Supply Company was founded in Baltimore in 1950 by Robert Kirchner, a supply company truck driver. When he established the company 60 years ago, Kirchner had limited means. Kirchner's dream of a successful business has since been realized, as the company has grown into a regional industrial distribution leader. In addition to its core pipe, valve, and fitting business, Monumental now includes divisions devoted to elevator supplies, fire protection systems, and a trading and logistics business that operates internationally.

Monumental Supply has tripled in size over the past 10 years. There are currently 65 employees, 45 of which are Baltimore City residents. Monumental purchases, customizes, and distributes heavy industrial piping products to mechanical contractors for installation in hospitals, schools, chemical plants and refineries, and large industrial and commercial buildings. The company delivers its products and supplies to the contractor worksites or fabrication facilities. Monumental has over 800 active customers throughout the Mid-Atlantic Region.

Connections to the MIZOD

In recent years Monumental Supply has relied more and more on its international connections, making its location near the MIZOD ever more important. According to Ed Zimmerman, President of Monumental Supply, ten years ago the company purchased 95 percent of its products from domestic manufacturers. Now, though, the company imports nearly 75 percent of its products from overseas. For example, over 90% of the copper tubing the company distributes comes from Europe. The company also imports containers of flexible piping connectors from China. In all, hundreds of tons of piping products are shipped to Baltimore each year from other countries.

The Port of Baltimore serves as an important marketing tool for Monumental Supply, Zimmerman said. When negotiating with foreign manufacturers for sales, distribution and logistics contracts serving the Mid-Atlantic Region, Monumental uses its close proximity to the port and warehousing capabilities as an added bonus of doing business with the Company. Zimmerman said, it is a powerful tool to get international companies who manufacture industrial products for sale in the United States to establish business relationships in Baltimore.

MIZOD Impact: Case Study

Donahoo Collision Center

Location: 5665 Belair Road, Baltimore, MD 21206
Representative: Scott Donahoo, President
Interview Date: March 15, 2010

Company Background and Operations

The logo for Donahoo Collision features the word "Donahoo" in a grey, sans-serif font, followed by the word "Collision" in a larger, bold, blue, sans-serif font.

The Donahoo Collision Center is part of the larger Donahoo family of car dealerships that has been in operation in Baltimore since 1955.

For most of its history, the company sold and repaired cars. At one point, the company employed over 200 people. Although the company left the car sales business in 2008, the Collision Center is still in operation. The Collision Center deals with customers who have been in a car accident. It works with car insurance companies to complete the repairs at the lowest possible cost in the least amount of time. By keeping costs low and its repair times down, the repair shop has built up a strong reputation with auto insurance companies, who, in return, send more business to the Collision Center. In this way, cost and efficiency are key to the success of the business.

The Case for the MIZOD

Scott Donahoo, President of Donahoo Collision Center, estimates that his business receives 40 percent of its car parts through the Port of Baltimore, amounting to over \$1 million worth of parts coming through the Port each year. The Port plays an important role in keeping the Collision Center's costs low. "The beauty of the Port is that it is not recession sensitive," Donahoo said. "In good times or bad, recession or boom, stuff gets shipped. It's just from what direction...We may be shipping Mercedes or we may be shipping Kias." Either way, Donahoo said, the Port is "The lifeblood that feeds this city."

MIZOD Impact: Case Study

S.H. Bell Company

Location: 3501 E. Biddle Street, 1200 E. Patapsco Avenue, Baltimore, MD
Representative: John Bell, President
Interview Date: April 23, 2010

Company Background



S.H. Bell was started in 1933 in Pittsburgh by the Bell Family mainly to serve the steel industry. Today it continues to operate in the metals industry, processing, packing and transporting raw materials, semi-finished metals and minerals. The company imports its materials from foreign mining and trading companies.

In July 2009, after looking up and down the east coast for a suitable port, S.H. Bell opened two locations in the City of Baltimore. The company had always considered expanding to Baltimore, but in recent years a number of factors pushed S.H. Bell to make the move. First, while the company had always had a flow of goods coming in from the Port of Baltimore, the amount of shipments S.H. Bell received from the Port greatly increased. In addition, after hurricane Katrina, many of the company's customers encouraged it to open in Baltimore so that they would have another shipping option along the east coast. Therefore, S.H. Bell decided to refocus on Baltimore.

The two S.H. Bell sites in Baltimore, one on East Patapsco Avenue and the other on East Biddle Street, have allowed the company to grow more than it could have imagined, according to President John Bell. "The timing couldn't have been better," Bell said. "As soon as we opened our doors, businesses flocked to us. And we don't see an end." The company employs 150 people directly, 15 of which are located in Baltimore. Additionally, the company hires many local contractors for welding, concrete, and machine repair, increasing its indirect employment impact.

Connections to MIZOD

S.H. Bell ships in containers from the Seagirt and Dundalk Marine terminals, and also uses Rukert terminal. Contracting with local trucking companies, the company ships a tremendous amount of material out of the Port, Bell said. Right now 25 percent of the company's business is coming through the Port of Baltimore, but Bell said that number is growing fast: "Baltimore is a rising star."

The uptick in the metals industry in recent months has made the stability of the MIZOD of even greater importance to S.H. Bell. Because its customers are starting to replenish their inventories after cutting back during the recession, they are looking to S.H. Bell to supply them with the necessary materials to do so. The quickest and most cost-effective way to do this, Bell said, is to deliver overseas by container through Baltimore.

The Case for the MIZOD

Simply put, S.H. Bell would not have considered opening two sites in Baltimore without the assurance of deepwater access at the Port. The company has invested a substantial amount in its expansion, and expects to be in Baltimore indefinitely. In addition to the transportation cost savings the company experiences by operating through the Port of Baltimore, the Port itself has pushed the company into a more competitive market position. Not only is the company growing more than it had previously hoped, but it is also envisioning expanding further into the U.S. market. Without the stability of deepwater access through the Port of Baltimore, S.H. Bell would not be inclined to expand further in the City.

MIZOD Impact: Case Study

The Louis J. Grasmick Lumber Company

Location:	6501 Quad Avenue, Baltimore, MD 21215
Representative:	Lou Grasmick, CEO Grant Grasmick, President
Interview Date:	May 4, 2010

Company Background and Operations



The Louis J. Grasmick Lumber Company has seen many changes in Baltimore in its 58 years of operation and has successfully found a middle ground between their deepwater access needs and development along the waterfront. They first began in Harford County, but after their first year, moved into the City at Pier Six Pratt Street, where the current concert venue is today. Grasmick Lumber “saw the writing on the wall” in the early years of the Inner Harbor renaissance and began searching for a new location. Then Mayor Schaefer told Mr. Grasmick that he would have to move and the Mayor personally worked hard to find them a location within the City limits that met their needs.

It was then that the City sold the right of way under Interstate 95 at Quad Avenue to Grasmick Lumber. Key to making the location work was the existence of a rail spur on site and immediate access to Interstate 95. They were tempted to move out to Baltimore County, as property taxes there were significantly lower. As Mr. Grasmick said, “the City has been good to us. If it had not been for the City’s efforts to retain our company and find us a suitable location, we definitely would have moved out.”

Grasmick Lumber has participated in some highly visible past and present projects. In the past, their lumber was used in the Inner Harbor East development projects and Silo Point. Today, Grasmick is supplying all of the forming wood for the concrete necessary for the rebuilding of the World Trade Center in New York City. They are also exporting lumber internationally for the construction of American embassies in Djibouti and Burundi in Africa.

Connection to the MIZOD

The Louis J. Grasmick Lumber Company is truly an international company, involved in importing and exporting through the Port of Baltimore. While not new to maritime commerce, Grasmick Lumber is relatively new to the import business, beginning with imports from Chile and Brazil ten years ago. After every hurricane, domestic wood and plywood suppliers would artificially spike the prices in wood for over a month. Grasmick Lumber conducted a search to see if sourcing wood from other countries could save the company money. They were able to find

cheaper lumber and that the shipping lines would be able to bring the wood in through the Port of Baltimore, reducing their supply chain costs dramatically.

Today, Grasmick Lumber imports \$2 million worth of goods through the Port of Baltimore each year. Exports vary, depending on the countries where they have projects at any given time. They have worked in a variety of different countries including, Iceland, Saudi Arabia, Venezuela, and many countries in Africa.

The Case for the MIZOD

The company contributes significantly to the local economy and many other industries that use the Port of Baltimore. With over 350 rail cars a year bringing wood products into the City, and untold numbers of trucks shipping goods across the East Coast, Grasmick Lumber is the top supplier of lumber on the eastern seaboard. Without the deep-water access protected by the MIZOD and the ability to ship finished products quickly out of Baltimore via rail and truck, Grasmick stated that the effects would be “very detrimental to our business.”

Even now, Grasmick Lumber is an advocate for the Port of Baltimore because the business sees substantial transportation savings by bringing goods in directly to Baltimore. Lou Grasmick is not afraid to call the owners of lumber carriers and shipping lines if they tell him that Baltimore is not one of their calls. His personal requests have been known to influence some carrier lines because of the volume of his business. As Mr. Grasmick states, “We aren’t happy when we have to export or import from another Port.”

If access to the Port of Baltimore were to become more limited, they would have to rely on other ports--adding significant transportation costs and possibly drying up many other Baltimore-based industries which Grasmick supports. The shippers, freight forwarders, warehousing operations, and packaging companies in Baltimore City are just a few of the industries that would be affected if Grasmick was unable to use the Port of Baltimore.

When asked what his perception was of the residential developments around the harbor, Grant Grasmick, president of the company, said that the key is “balance.” Grasmick Lumber’s success relies in part on the new development that has occurred over the last ten years around the waterfront. As mentioned earlier, Grasmick Lumber supplied the wood for framing in the Inner Harbor East and Silo Point Developments, but he stresses “you have to have good judgment and you can’t overbuild.”

MIZOD Impact: Case Study

John S. Connor, Inc.

Location: 799 Cromwell Park Drive, Suite A, Glen Burnie, MD
Representative: Lee Connor, President
Interview Date: April 22, 2010

Company Background

John S. Connor, Inc. was founded in 1917 as a customs broker and freight forwarder, and was located in downtown Baltimore until 2005, when it relocated to Glen Burnie. The company has three tiers of business activities: customs brokerage, transport services, and vessel agents.

As a customs broker, John S. Connor works with companies that import into the Port of Baltimore and the Baltimore-Washington International Airport. The company picks up the product from the airport or port and clears it through customs. Part of that job is keeping up with the Federal regulations set by over 40 government agencies, such as the Food and Drug Administration, the Environmental Protection Agency, and the Federal Communications Commission. As a transport service provider, John S. Connor uses all modes of transportation to arrange for the pick-up, storage, and delivery of its customers' products. The company has an 8,000 square-foot warehouse on-site that houses mostly air freight. The warehouse also serves as a loading and distribution site for ocean containers.

One of the advantages of their location is that John S. Connor can utilize all modes of transportation to minimize costs for its customers. A smaller part of John S. Connor is devoted to vessel services. The company essentially represents ship owners to bring the ships into Baltimore and get them cleared with customs. It also offers other vessel services, such as arranging for doctors visit for the ship's crew, handling customs, pilots, tugs, line handlers, and coordinating with the berthing terminal, in order to get the ship in and out of port as quickly as possible. John S. Connor works mainly with bulk carriers and coal, salt, and ore carriers.

With Baltimore as its headquarters, John S. Connor also has smaller offices in Dulles, Norfolk, Virginia, Louisville, Kentucky, New Jersey and Philadelphia. The company employs approximately 100 people total, with 65 of them working at its Baltimore location. It serves over 2,000 customers, 200 of which are regular shippers, and handles cargo all over the country and the world.

Connection to MIZOD

Lee Connor, President of John S. Connor, estimates that up to 50-60 percent of its customs brokerage customers come through the MIZOD. If the majority of their business was not conducted through the MIZOD, Connor said, there would be strong incentives to relocate the company entirely to Norfolk. The stability of the deep water access terminals is essential in

sustaining John S. Connor's competitive edge; a major part of their savings for customers comes from the ability to offer all modes of transportation. Without long-term access and stability, the vessel service sector of the business would not exist.

The Case for the MIZOD

"They aren't making any new waterfront property," Connor said. "I support urban development, but we have to find the right balance. Residential development can go a lot of places." Losing industrial areas around the port is detrimental, Connor noted, not just to companies like his, but to everyone in the Baltimore region. The jobs lost would lead to a lower standard of living among skilled laborers. Connor uses Silo Point as an example of the loss of an export business that directly affected his business. Grain brought in \$50-75,000 per ship, at 30 ships each year. This figure does not include the cost of the grain and the economic impact of pier operations, farmers, and truckers, Connor said. "If the MIZOD were to go away," he said, "We might have to look at other areas like New Jersey or Norfolk."

MIZOD Impact: Case Study

McCormick & Company

Location:	18 Loveton Circle, Sparks, MD 21152
Representative:	Timothy D. Brotzman, Sr., Manager, International Transport & Compliance
Interview Date:	April 23, 2010

Company Background and Operations



McCormick & Company was established in a Baltimore cellar in 1889 by Willoughby M. McCormick, who was just 25 years old at the time. The company produced root beer, flavoring extracts, and fruit syrups and sold these products door-to-door. The company continued to grow until the Great Baltimore Fire destroyed all of its material assets in 1904. Within 10 months, though, a new five-story building was constructed and the company was able to grow even more. For the next 100 years McCormick & Company led the spice industry in innovation: becoming one of the first to introduce tea in pouches, developing a spice-sterilization process coined “McCorization” that did not compromise flavor, and establishing its own spice trading company to buy spices direct from all over the world.

The company was located in the Inner Harbor until 1984, when it moved the remainder of its operations to Baltimore County after a zoning dispute with Baltimore City. Today, McCormick is a well-known brand name in the American kitchen and still has close ties to Baltimore City.

Currently McCormick employs 1,826 employees in Maryland and 7,500 employees worldwide. According to Timothy Brotzman, Manager of International Transport, 636 of these workers are Baltimore City residents.

Until the 1980’s, McCormick bought spices through dealers in New York. During the mid-80’s, the company started its Global Sourcing Initiative, and since deals directly with international spice producers. McCormick buys directly from small farms in places like India, Indonesia, and Uganda, educating farmers on improved production and storage techniques that result in the best product possible. The company’s main commodity is black pepper, but it produces a wide range of spices and food products. Locally, McCormick relies on Baltimore warehouses, trucking companies, and port terminals as its main point of access to the market.

Connection to the MIZOD

McCormick has always used the Port of Baltimore as its entry point for raw materials. Currently, it is the Port’s top container importer, importing over 2,000 container loads each year through the MIZOD. McCormick also imports ready-made-foods for its’ Simply Asia subsidiary through Oakland, California. Baltimore is McCormick’s exclusive port of entry for spice shipments.

Twenty percent of its raw materials are shipped directly to Baltimore, while the rest stop first in Norfolk, Virginia, then travels by barge up the bay to Baltimore. For McCormick, Baltimore is closest to the market because the trucks do not have to travel as far to places like Chicago. Brotzman estimates that the Port is worth \$2 million annually to the company in transportation savings alone. McCormick also exports its finished products to the Caribbean and South America from the Port of Baltimore.

In addition, the company has longstanding connections to Baltimore-based warehouses and trucking companies, according to Brotzman, who notes that McCormick is their largest customer. The company's raw materials are housed by Baltimore Quality Assurance in a warehouse in Canton, where they are later shipped north to McCormick's spice mill in Hunt Valley.

The Case for the MIZOD

Brotzman emphasized that deep water access points in the Port of Baltimore must be preserved. With the widening of the Panama Canal in the near future, the Port is a major selling point for the City. The Port is essential in order for a company like McCormick to conduct business and expand. Baltimore, being so far inland, is closest to McCormick's major markets, and, as stated above, saves the company \$2 million annually in transportation costs alone. Without this convenient access point, McCormick would have to ship its raw materials via truck from Norfolk, significantly increasing its costs and environmental imprint, while diminishing its ability to remain competitive.

MIZOD Impact: Case Study

The Hershey Company

Location:	Hershey, Pennsylvania
Representative:	Perry Cerminara, Senior Manager of Sweetener and Energy Procurement
Interview Date:	May 13, 2010

Company Background



The Hershey Company originated with candy-manufacturer Milton Hershey's decision in 1894 to produce sweet chocolate as a coating for his caramels. Located in Lancaster, Pennsylvania, he called his new enterprise the Hershey Chocolate Company. In 1900, the company began producing milk chocolate in bars, wafers and other shapes. With mass-production, Hershey was able to lower the per-unit cost and make milk chocolate, once a luxury item for the wealthy, affordable to all.

The immediate success of Hershey's low-cost, high-quality milk chocolate soon caused the company's owner to consider increasing his production facilities. He decided to build a new chocolate factory amid the gently rolling farmland of south-central Pennsylvania in Derry Township, where he was born. By the summer of 1905, the new factory was turning out delicious milk chocolate in today's Hershey, Pennsylvania. Currently the company employs 14,000 people worldwide, and has become an international success.

Connections to the MIZOD

Hershey's is one of the largest sugar users in the United States. The company has five production sites in Pennsylvania and Virginia, all of which use large quantities of sugar. Much of the sugar that the company uses to produce its chocolate and other candies comes directly from Domino Sugar in the City of Baltimore. In general terms, the company may receive in excess of 500 rail cars per year from Domino. The two companies have formed a solid relationship that goes back over 75 years.

The Case for the MIZOD

The Hershey Company uses sugar in most of its products, and much of that sugar comes directly from the MIZOD. The Domino Sugar refinery is 90 miles away from Hershey, which offers the Hershey Company huge transportation cost savings. Perry Cerminara, Senior Manager of Sweetener and Energy Procurement for Hershey's, explained that the long-term planning of the company is tied to Domino Sugar, as well as the MIZOD.

"It would be crippling for the food industry in the U.S. if Domino lost [deep-water] access," Cerminara said, "We would have to look elsewhere for our supply."

PORT OF BALTIMORE: ECONOMIC IMPACTS

The following data on the overall economic impacts of the Port of Baltimore was provided by the Maryland Port Administration and the Port of Baltimore. This information is useful in demonstrating the overall impact of the Port, not just on Baltimore City, but on the broader regional and state economy.

Periodically, the Maryland Port Administration updates the economic impacts of the Port of Baltimore on the Baltimore region and the State of Maryland. The economic impacts measured for cargo and cruise activity are as follows:

Approximately 50,700 jobs in Maryland are generated by port activity.

- 16,700 are direct jobs generated by cargo and vessel activities at the Port. Examples include jobs with railroads, trucking companies, terminal operators, cargo handling (International Longshoreman Association), manufacturing, towing, pilots, ocean carriers, agents, etc.
- 19,700 are induced jobs, i.e. jobs supported by the local purchases of goods and services by direct employees. These jobs would be lost in the short term if the direct jobs were lost. Examples include sales clerks, mechanics, teachers, government employees, etc.
- 14,300 are indirect jobs, i.e. jobs supported by the business purchases of the employers who create the direct jobs. These jobs, too, would be lost in the short term if the direct jobs were lost. Examples include those who provide office supplies and equipment, utilities, communications, repair, legal and financial services, etc.



The Port of Baltimore is a major source of personal and business revenues in the State of Maryland.

- The Port was responsible for \$3.7 billion in personal wage and salary income.
- The Port generated \$3.2 billion in business revenues and local purchases.
- The Total Economic Value of the Port of Baltimore is estimated to be \$5.6 billion
- Activities of the Port generated \$392 million in state, county and municipal tax revenues.

Approximately 68,300 other jobs in Maryland are directly related to activities at the Port.

Related jobs are those jobs with Maryland companies that chose to import and export their cargo through the Port of Baltimore, but they have the option of shipping their products or supplies (e.g. containerized items, autos or steel products for construction) through a number of other ports. These companies (e.g. manufacturing firms, distributors, coal mines, automobile dealers, etc.) benefit from having a healthy port nearby in Baltimore to assist their logistics.

If the Port of Baltimore were not available to them, these firms could suffer an economic penalty over the longer term, but would likely survive by shipping through another port.

Note: Although the number of related jobs is high, this category of impact is much less dependent upon the Port than the impacts that are generated by the direct, induced and indirect jobs.

Combining direct, induced and indirect jobs with related jobs, there are nearly 120,000 jobs linked to the Port.

For more detailed information on the Port of Baltimore and its planning and development, go to: <http://www.mpa.maryland.gov/content/future-of-the-port.php>

Source: Maryland Port Administration

TRANSFORM BALTIMORE: INDUSTRIAL ZONING IMPLICATIONS

Recognizing that today's industry looks a lot different than yesterday's manufacturing, TransForm Baltimore seeks to create a balance between the economic engines of the past and present and those anticipated in the coming years. Our goal is to preserve and enhance the long-term economic health of the City of Baltimore well into the 21st century. As a result, the Industrial section of the new zoning code has been updated and a number of new, more flexible industrial districts have been created. With new tools, the City of Baltimore will be able to preserve existing businesses while accommodating new types of industry in the future.

In response to suggestions in the City of Baltimore Comprehensive Master Plan and the 2003 Industrial Land Use Study, several new industrial zoning districts are proposed, including:

Business Industrial District (BI): For areas of light industrial uses, with no outside impacts, and which are compatible with and may benefit from proximity to commercial uses. This district may also provide a buffer for areas that transition from industrial to residential or mixed-use commercial.

Office Industrial Park District (OIP): A new phenomenon since our last zoning code was adopted, this district allows for office structures, research facilities and light industrial uses within a campus like setting. The creation of these districts will allow the city to compete with surrounding jurisdictions and capture jobs. This district will also eliminate the need to create a Planned Unit Development in order to build such facilities.

Bio-Science Campus District (BSC): Given Maryland and Baltimore's strategic advantage in bio-science technology and research, this zoning category allows a broad mix of integrated manufacturing, office and research facilities, and supportive uses such as retail, education and higher density residential uses all in an integrated mixed-use environment.

Industrial Mixed Use District (IMU): Intended for older industrial areas, located in close proximity to residential or commercial mixed-use areas, this district will allow "historic" multi-story industrial buildings to remain viable by allowing artist live-work spaces, offices, galleries, limited retail, educational and some residential alongside light industrial uses, creating a truly unique mixed-use environment.

In addition to the new districts, the old M-1, M-2 and M-3 Districts have been replaced by the **Light Industrial (I-1)**, and **General Industrial (I-2)** districts to better reflect current industrial needs.

Light Industrial (I-1): This district will accommodate a full range of light industrial uses that are low intensity, enclosed uses such as manufacturing, assembly, distribution, warehousing, research and development, and accessory office space.

General Industrial (I-2): General Industrial will encompass a wide range of uses, including many formerly contained within M-2 and M-3, such as general manufacturing, fabricating, processing, distribution and warehousing. These differ from light industrial in that they are more intense uses and may have some open air processes and/or moderate external effects like dust, vibration or noise, and outdoor material storage.

MIZOD Zoning Implications:

One of the goals of TransForm Baltimore is to simplify the confusing layers of overlay districts and urban renewal plans that govern the use of land within the City. To simplify the permitting process within the MIZOD and provide an added layer of certainty for maritime-dependent companies looking to invest in the City of Baltimore, the land use provisions within the MIZOD are being written into the underlying zoning in the form of a Maritime Industrial (M-I) District.

Maritime Industrial (MI): The purpose of the M-I Maritime industrial Zoning District is to ensure the preservation of limited deep-water frontage of the Port of Baltimore for maritime uses. The intent is to delineate an area where maritime shipping can be conducted without intrusion of non-industrial uses and where investment in maritime infrastructure and related jobs is encouraged.

When the new zoning code is adopted, replacing the existing code, the MIZOD would then be replaced by the proposed Maritime Industrial (M-I) base zoning district and would therefore become permanent, subject to state and local policies with regard to the rezoning of property.

CONCLUSIONS: FUTURE OF THE MIZOD

The 2009-10 Annual MIZOD report included a survey of firms, case studies and various data indicators that led to the overall conclusion that the Port of Baltimore is an important regional asset that should be protected, because it:

- Is the furthest inland deep-water access on the East Coast;
- Provides easy access to rail and truck transportation;
- Lowers supply chain costs by providing easy access to key suppliers and raw materials;
- Is in close proximity to the center of the country, with a market population of over 8 million within an 8-hour drive from the Port of Baltimore;
- Attracts and retains skilled workers by providing high quality jobs with a full range of skill levels;
- Leverages significant private investment resulting in the direct and indirect employment of thousands of local residents;
- Competes favorably with alternate locations in the Baltimore area and elsewhere on the East Coast because of Baltimore's central location and existing multi-modal transportation infrastructure;
- Provides access to industrially zoned, deep-water properties not available anywhere else in Maryland; and
- Is within the Enterprise Zone, with access to Foreign Trade Zones, that continue to serve as effective tools for business attraction, retention and growth.

In addition, the analysis contained within this report, including survey results, case studies, and analysis of economic activity within the MIZOD led to the following conclusions regarding the benefit and overall impact of the MIZOD:

1. MIZOD protection has allowed companies to feel confident in making significant capital investments. Since the MIZOD was enacted, the following investments have taken place:
 - Rukert-Lazeretto Corp invested \$25 Million for a new pier as well as an additional \$5 million for the larger crane necessary to service the pier and its larger 50 ft berth.
 - Wallenius Wilhelmsen Logistics (roll-on/roll-off and automobiles) invested in a new 72 acre vehicle processing center at the Dundalk Marine Terminal.
 - Westway Terminals invested approximately \$11 million to construct new 10 million gallon tanks, with improved truck loading facilities, for chemical storage.
 - The MPA is investing a total of approximately \$26 Million in the cruise ship terminal in South Locust Point and cruise activity from the Port of Baltimore continues to increase.
 - Ports America Chesapeake is investing over \$105 million, through a public-private partnership and long-term lease agreement with the Port of Baltimore/Maryland

Port Authority, that will result in the construction and operation of a 50 ft berth to accommodate new, larger ships that will begin arriving in Baltimore following the expansion of the Panama Canal in 2014.

- Mercedes Benz signed a 20-year lease with MPA and invested \$10M to develop a 40-acre auto storage facility at Masonville.
 - ATC Logistics invested \$2 million to develop a 10-acre storage facility.
2. Tax credits offered to properties in the MIZOD are incentivizing capital improvements and/or employment in the Port of Baltimore.
 3. Despite increases in tax credits, private investments have had a positive impact by increasing City tax revenues generated from the MIZOD.
 4. Despite overall declines in cargo volume in 2009 attributed to the worldwide economic recession, there are signs that things are beginning to turn around. For the first eight months of calendar year 2010, MPA's automobile cargo increased 81%, paper and pulp imports rose 11%, and containerized cargo rose 8%, for a total general cargo increase of 11% over the same period the prior year.
 5. Despite the strengths and strategic advantages enjoyed by the Port of Baltimore, other port cities along the east coast continue to compete for and capture business from their Mid-Atlantic competitors, including the Port of Baltimore. In order to make the Port more competitive the City and the State of Maryland are working to secure funds to expand port related infrastructure, including a proposed elevated roadway over the rail yard that will connect Chesapeake Commerce Center directly to the Seagirt and Merchants Terminals.

Appendix A

TEXT OF ZONING CODE TITLE 8 (OVERLAY DISTRICTS); SUBTITLE 4 (MARITIME INDUSTRIAL OVERLAY DISTRICT)

SUBTITLE 4

MARITIME INDUSTRIAL OVERLAY DISTRICT

Editor's Note: Ordinance 04-804 enacted this subtitle, effective September 12, 2004, with a "sunset" (automatic termination) of 10 years. Ordinance 09-154 subsequently extended the "sunset" to December 31, 2024.

Section 2 of Ord. 09-154 provides that, in January 2010, "the Mayor shall appoint [a 12-member] ad hoc committee to evaluate the operations of the Maritime Industrial Overlay District". On or before October 31, 2010, the committee "shall report to the Mayor and City Council" its findings and its "recommendations for improving the District".

PART I. DEFINITIONS; OVERVIEW

§ 8-401. Definitions.

(a) *In general.*

In this subtitle, the following terms have the meanings indicated.

(b) *Maritime.*

"Maritime" means ocean-going shipping and commerce associated with the Port of Baltimore.

(c) *Maritime Industrial Overlay District.*

"Maritime Industrial Overlay District" or "Overlay District" means the area designated on the zoning maps adopted under this article as the Maritime Industrial Overlay District.

(Ord. 04-804.)

§ 8-402. Design.

The Maritime Industrial Overlay District is designed to ensure the preservation of limited deepwater frontage of the Port of Baltimore for maritime use. The intent is to delineate an area where maritime shipping can be conducted without the intrusion of non-industrial uses and where investment in maritime infrastructure is encouraged.

(Ord. 04-804.)

§§ 8-403 to 8-405. {Reserved}

PART II. GENERAL REQUIREMENTS

§ 8-406. In general.

In addition to the general provisions of Title 3 {"General Rules"} of this article, the following provisions apply to the Maritime Industrial Overlay District.

(Ord. 04-804.)

§ 8-407. Use regulations.

(a) In general.

Except as provided in subsection (b) of this section, all uses in the Overlay District are as otherwise allowed by this article for the underlying district.

(b) Prohibited uses.

Notwithstanding any other provision of this article, the following uses are prohibited within the Overlay District:

- (1) Hotels and motels.
- (2) Offices: business and professional, other than accessory.
- (3) Planned unit developments.
- (4) Restaurants, other than accessory without live entertainment or dancing.
- (5) Taverns.
- (6) Any other use that is not expressly allowed by this article for an Industrial District.

(Ord. 04-804; 06-247.)

§ 8-408. Bulk regulations.

The bulk regulations set forth in this article for each underlying district apply to properties in the Overlay District.

(Ord. 04-804.)

§ 8-409. Off-street parking.

Off-street parking spaces must be provided in accordance with Title 10 {"Off-Street Parking Regulations"} of this article as it applies to the underlying district.

(Ord. 04-804.)

§ 8-410. Signs.

Signs are allowed only in accordance with Title 11 {"Sign Regulations"} of this article as it applies to the underlying district.

(Ord. 04-804.)

PART III. ADMINISTRATION

§ 8-411. Proposed map amendments.

(a) Owner application.

- (1) On or after September 12, 2014, until September 11, 2015, an owner of property within the Maritime Industrial Overlay District may apply to the City Council for a map amendment to remove the property from the District.

(2) The application must be in the form of a proposed ordinance of the Mayor and City Council of Baltimore, containing the information and accompanied by the documents that the City Council requires.

(b) Review – In general.

An application under subsection (a) of this section and any other proposed amendment to the Maritime Industrial Overlay District map must be reviewed as a change in zoning classification in accordance with Title 16 {“Legislative Authorizations”} of this article.

(c) Review – Planning Commission.

In addition, the Planning Commission must find *that* the proposed amendment:

- (1) is consistent with the most current Baltimore City Comprehensive Master Plan;
- (2) sustains or enhances transportation access into and out of the Port;
- (3) ensures the long-term preservation of the deep water assets of the Port of Baltimore for maritime industrial use;
- (4) protects maritime industrial land uses from the intrusion of non-industrial uses;
- (5) sustains or enhances the current and future maritime industrial economic development growth in the District;
- (6) ensures development is designed to adequately separate non-industrial land uses from maritime industrial uses; and
- (7) adheres with federal and state laws regarding Homeland Security, generally, and port safety, specifically.

(Ord. 04-804; Ord. 09-154.)

Appendix B:

FOREIGN TRADE ZONES

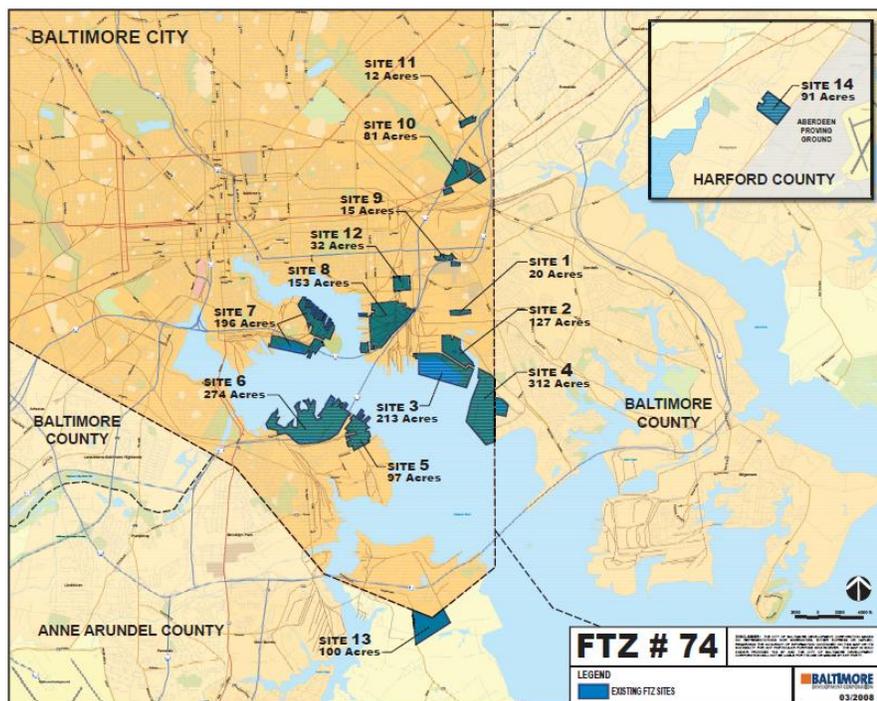
What is a Foreign-Trade Zone?

A foreign-trade zone is a designated site licensed by the Foreign-Trade Zones (FTZ) Board where special customs procedures are in place that consider the merchandise to still be in “international commerce”. Duty-free treatment is accorded to items that are re-exported and duty payment is deferred on items sold within the U.S. market, thus offsetting customs advantages available to overseas producers who compete with producers located in the United States.

Foreign Trade Zone #74:

The Foreign-Trade Zone (FTZ) #74 is comprised of 1,734 acres within 14 non-contiguous sites throughout the greater Baltimore region. Site locations include Baltimore City, Anne Arundel County, Baltimore County and Harford County.

Foreign Trade Zone #74’s annual report to the FTZ Board (administered by the Department of Commerce) in Washington, D.C. showed that Baltimore’s FTZ #74 handled \$1.3 billion worth of merchandise from 11 different countries of origin, serving 86 businesses and providing 193 direct jobs. See map (at left) for the geographic locations of Baltimore’s 14 sites. FTZ #74 businesses use the space for a variety of uses: warehousing and distribution of non-ferrous metals for sale on the London Metal Exchange, warehousing spirits and alcohol, and storing vehicles before they are sold in the domestic marketplace.



Benefits For Businesses

Deferral, reduction or elimination of Customs Duties:

The FTZ program helps American companies improve their competitive position versus their counterparts abroad. The FTZ program allows U.S.-based companies to defer, reduce or even eliminate Customs duties on products admitted to the zone.

Local Enterprise Zone Benefits:

In the Baltimore Region's FTZ #74, the majority of the sites are also located in Enterprise Zones. This State/local benefit is unrelated to the FTZ Act but can mean additional savings for companies who are adding new employees. In addition, if the businesses is renovating or building a new structure on the site, 80% of the assessable rates of property taxes on the improvements can be abated for 5 years and then for the following 5 years, the abatement decreases annually at a rate of 10% per year, ending at a 30% abatement by year 10. Additional BGE energy incentives may be available to new businesses locating inside the Enterprise Zone.

Additional benefits:

Intangible benefits have begun to play a greater role in a company's evaluation of the FTZ program. Many companies in FTZs find their inventory control and quality control systems run more efficiently, thereby further increasing their competitiveness.

For more information: For more information about Baltimore's FTZ, contact the Director of Foreign-Trade Zone #74, Elizabeth Weiblen Hines at the Baltimore Development Corporation.

Foreign Trade Zone in the News

In July 2010, fDi Magazine, a publication of Financial Times, ranked Baltimore's Foreign Trade Zone #74, managed by the Baltimore Development Corporation, as the fourth best port-related Foreign Trade Zone in the world, following zones in Shanghai, Tangier, and Jacksonville, FL. The Port of Los Angeles was the only other U.S. port in the top 10, out of 700 zones analyzed.

The magazine evaluated Zones based on economic potential, promotional strategy, cost effectiveness, facilities, transportation, incentives and foreign direct investment strategy.

At the end of fiscal year 2009, the article states, goods imported through the zones were valued at over \$1.7 billion with the highest value commodities being automobiles, aluminum, and alcohol. FTZ #74 serviced 82 businesses and contributed more than 762 full-time jobs among its operators, with a total employment of almost 1,000 (including part-time and seasonal) workers. The zone is responsible for the re-exporting of over \$13 million in goods overseas.

(Source: www.bmoremedia.com; Writer, Walaika Haskins, with information provided by Elizabeth Weiblen Hines, FTZ Director at BDC)

Appendix C

MIZOD SURVEY

MIZOD Survey

1. Survey Introduction

The Maritime Industrial Zoning Overlay District (MIZOD) was enacted by the City of Baltimore in 2004. The special zoning applies to most industrial waterfront in South and Southeast Baltimore City and helps to protect certain properties with deep-water access and heavy industrial zoning from encroaching commercial and residential development.

If your business is not directly port-related, being within the MIZOD affords you certain assurances. Similarly if your business is port-related but not in the MIZOD, the retention of maritime commerce will no doubt be of interest.

This survey is designed to evaluate the effectiveness of MIZOD as a means of retaining industrial businesses at waterfront zoned for industrial use. We need to hear your opinions about its implementation and its impact on your firm's business planning. Your responses will be held in the strictest confidentiality and any responses used in our reports will be stripped of any identifying features and/or aggregated with other responses.

1. So that we are able to determine whether or not your business is located in the MIZOD, please provide a street address below. Thank you again for your cooperation:

Company:
Street Address:
City/Town:
State:
ZIP/Postal Code:
Email Address:
Phone Number:

2. MIZOD

NOTE: This section of the survey is especially important, as it allows us to monitor the effectiveness of the MIZOD legislation. Please read and answer the questions carefully.

1. Is the firm aware of the Maritime Industrial Zoning Overlay District (MIZOD)?

- Yes
 No
 Unsure

MIZOD Survey

2. If yes, how would you describe the firm's involvement in the creation of the MIZOD when it was enacted in 2004?

- Very supportive
- Somewhat supportive
- Neutral/Not involved
- Somewhat unsupportive
- Very unsupportive

3. Is your firm aware of the MIZOD extension?

- Yes
- No
- Unsure

4. Have you been approached about selling your property to build residential/retail uses on it since 2004?

- Yes
- No
- Unsure

5. Has the MIZOD alleviated developmental pressure on your business?

- Yes
- No
- Unsure

6. Would residential encroachment affect your decision to stay/leave Baltimore City?

- Yes
- No
- Unsure

MIZOD Survey

7. Have the surrounding neighborhoods made any complaints about noise, smell, or the sight of your firm?

- Yes
- No
- Unsure

Comment:

8. Has encroaching, non-port related development affected how the firm does business?

- Yes
- No
- Unsure

Comment:

9. Has the enactment of the MIZOD encouraged your firm to expand?

- Yes
- No
- Unsure
- Not MIZOD-related

10. On a scale of 1-5, what kind of effect has MIZOD had on the firm's operations?

- 1: Very noticeable
- 2: Noticeable
- 3: Neutral/Not familiar
- 4: Negative
- 5: Very negative

Comment:

MIZOD Survey

11. On a scale of 1-5, how satisfied is the firm with MIZOD?

- 1: Very satisfied
- 2: Satisfied
- 3: Neutral/Not familiar
- 4: Unsatisfied
- 5: Very unsatisfied

Comment:

3. Firm Information

1. What is your firm's North American Industrial Classification System (NAICS) code?

2. Does the firm's operation depend on close proximity to deep water areas?

- Yes
- No
- Unsure

3. If yes to #2, in what way does the firm depend on deep water access? (Check all that apply)

- Maritime service provider
- Manufacturer
- Maintenance and repair/ship repair
- Raw materials/supply chain
- Trucking
- Not port related
- Freight handler
- Other (please specify)

MIZOD Survey

4. About how long has the firm operated in Baltimore City?

5. About how long has the firm operated in its current location?

6. Does the firm lease or own the site?

- Lease
- Own
- Unsure

If own, for how long?

7. What was the total revenue generated by the firm in 2009?

- \$0 to \$5 million
- \$5 million to \$10 million
- \$10 million to \$15 million
- \$15 million to \$20 million
- \$20 million to \$25 million
- \$25 million and over

8. What was the total amount the firm paid in corporate taxes in 2009?

- \$0 to \$1 million
- \$1 million to \$2 million
- \$2 million to \$3 million
- \$3 million to \$4 million
- \$4 million to \$5 million
- \$5 million and over

9. Does the firm have other supporting facilities off-site?

- Yes
- No
- Unsure

MIZOD Survey

10. If yes to #9, what kind of facilities are off-site? (Check all that apply)

- Warehouses
- Logistical support
- Manufacturing
- Other

11. If yes to #9, where are the other supporting facilities?

12. Please choose the response that most closely fits the firm's current situation. How has the recession affected the firm?

- Very negatively. The recession has hit the firm especially hard.
- Somewhat negatively. The recession has slowed business.
- Neutral. The recession has had no affect; business is steady.
- Somewhat positively. Despite the recession, business is growing slightly.
- Very positively. The firm has grown significantly during the recession.

Other (please specify)

4. Transportation

1. Does your business generate truck activity?

- Yes
- No

If yes, approximately how many loads (per day, per week, etc.)?

2. Are the truckers independent haulers or are they your own fleet?

- Independent haulers
- Our fleet
- N/A

MIZOD Survey

3. Can you generally describe the starting and ending points of the trucks servicing your business? (Check all that apply)

- Between the port and Baltimore City.
- Between the port and the Baltimore region.
- Between the port and interstate/long distance.

Other (please specify)

4. Does your site have rail access?

- Yes
- No
- Unsure

5. If yes to #4, is the rail active?

- Yes
- No
- N/A

If yes, what company provides rail service?

6. When moving freight, does the firm use rail at any point in your supply chain?

- Yes
- No
- Unsure

5. Future Plans for the Business

1. Is the firm planning on any short-term capital improvements or product line enhancements?

- Yes
- No
- Unsure

MIZOD Survey

2. Is the business anticipating any growth or decline in size?

- Growth
 Decline
 Unsure

3. Is the firm anticipating any restructuring?

- Yes
 No
 Unsure

If yes, please explain.

4. Does the firm plan on hiring in the future?

- Yes
 No
 Unsure

If yes, about how many people?

6. Site Information

1. How many square feet of office space does your business have? Please enter a number.

2. How many square feet of pier/warehousing/storage? Please enter a number.

3. How many acres does your business occupy? Please enter a number.

4. Does the firm have sufficient buildable area onsite to expand if necessary?

7. Future Plans for Site

MIZOD Survey

1. Does the firm expect to complete any future construction or site improvements within the next five years?

- Yes
 No
 Unsure

If yes, approximately how much does the firm expect to spend?

2. Is the firm considering relocating?

- Yes
 No
 Unsure

If yes, to where would the firm relocate?

3. If MIZOD was not enacted, would the firm consider relocating?

- Yes
 No
 Unsure

8. Employment

1. What was the number of employees working for the firm in 2009?

Total number of employees:

Number of professionals (managers, engineers, accountants, etc.):

Number of hourly employees:

MIZOD Survey

2. What was the average salary for your employees in 2009?

Overall for all employees: _____

Professionals
(managers, engineers,
accountants, etc.): _____

Hourly employees: _____

3. How many employees work. . .

Full-time? _____

Part-time? _____

4. How many employees are. . .

Maryland residents? _____

Non-Maryland
residents? _____

Of the Maryland
residents, how many
are Baltimore City
residents? _____

9. Comments/Suggestions

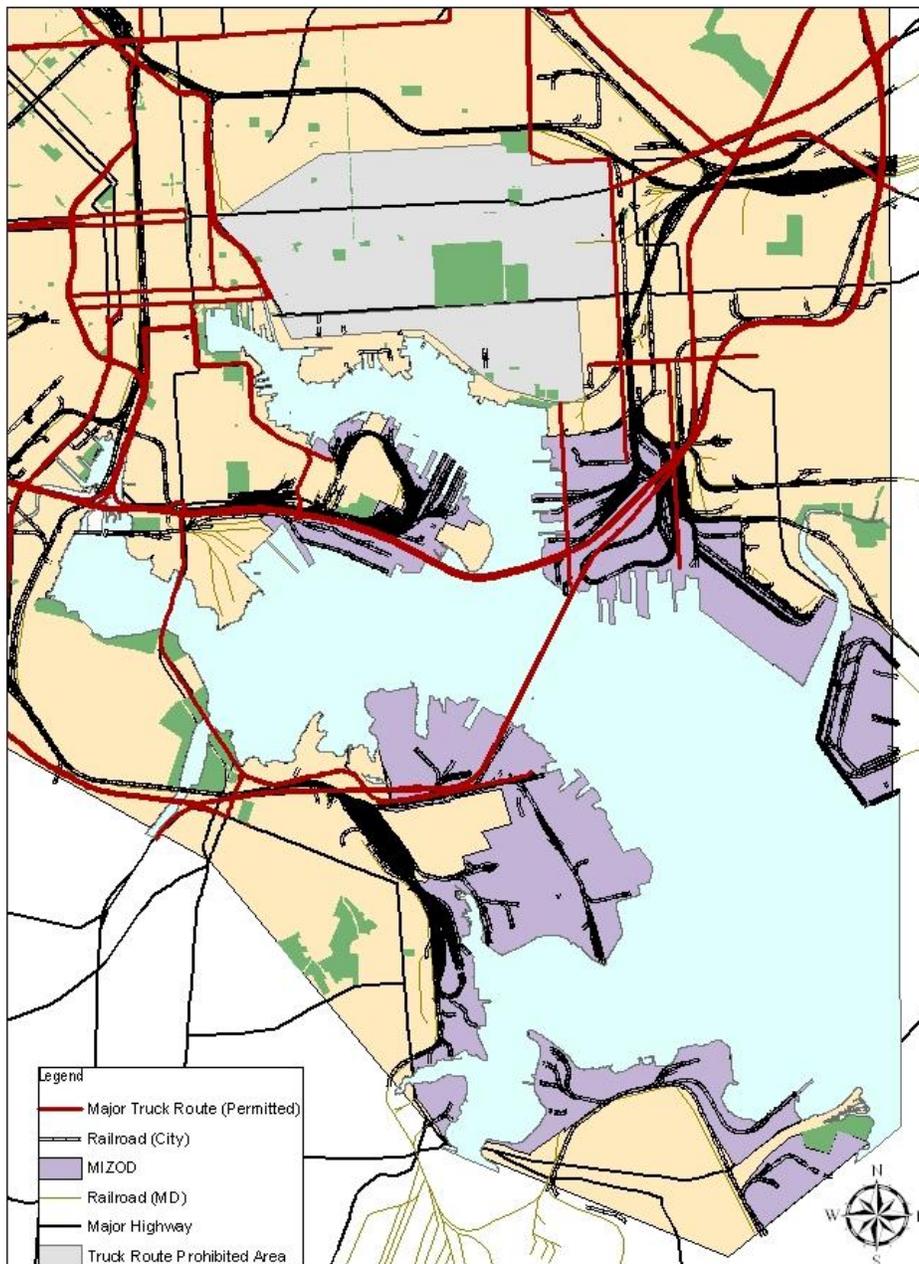
1. Please feel free to leave comments or suggestions:

Appendix D

TRUCK AND RAIL ACCESS

The MIZOD is a zoning tool that seeks to protect and preserve maritime activity associated with the Port of Baltimore and other maritime dependent industries within the City of Baltimore. Future protections that include transportation access, particularly for rail and truck traffic, may also be important to the long-term viability of the Port and related industry. The following map shows the MIZOD in the context of rail and existing networks of truck routes. The City of Baltimore Department of Transportation is working with stakeholders and the community to update these truck routes for both the Southeast and Southwest quadrants of the City. The results of those studies will be reported independently.

MIZOD Truck & Rail Networks





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