

Economic Overview



Prepared by:

St. Mary's County Department of Economic & Community Development

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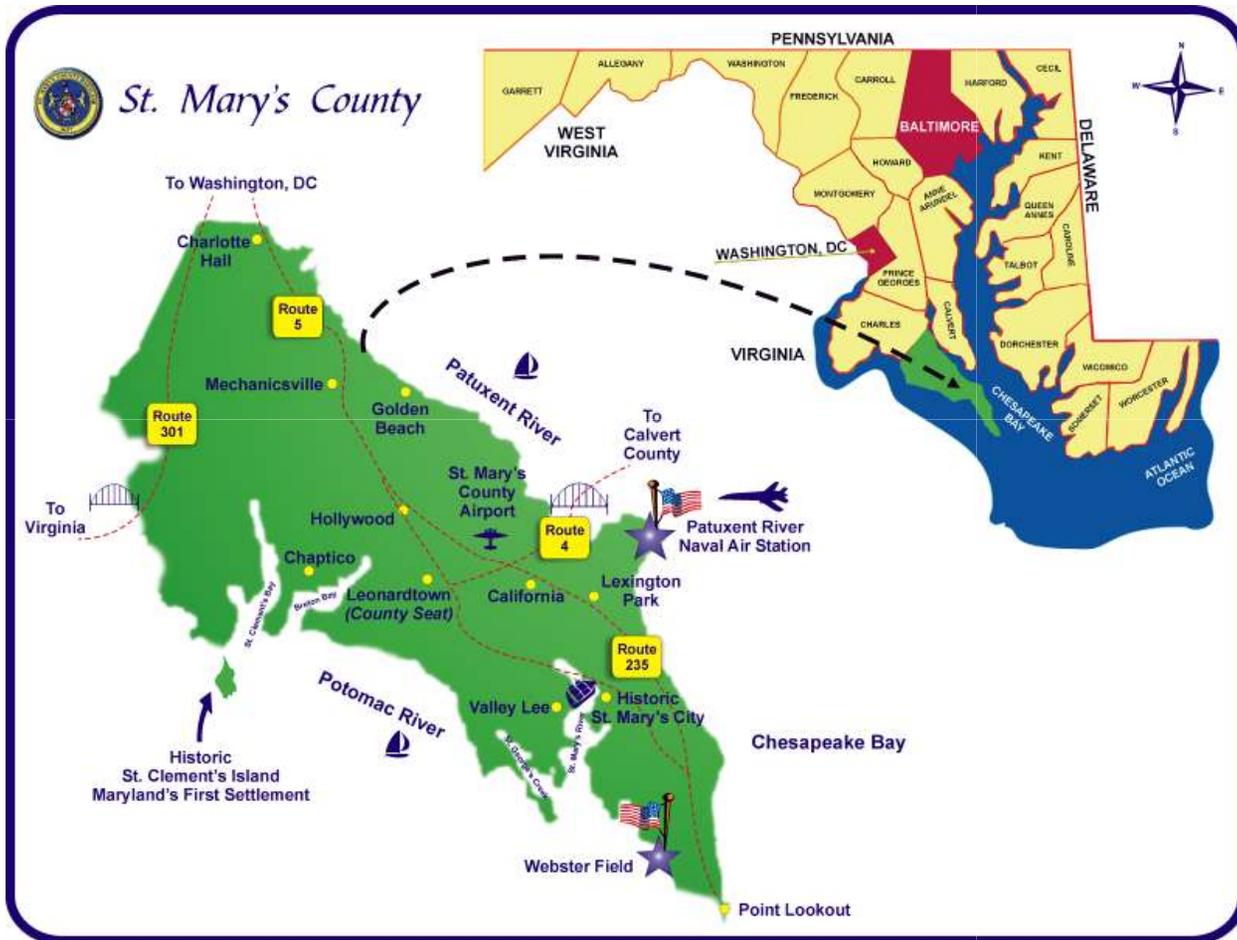
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- Highest percentage of high-tech employment in the region
- Home to the Naval Air Station Patuxent River
- State Enterprise Zone in Lexington Park offering tax waivers and other incentives for businesses
- Site of the first Colonial Settlement and the first Capital of Maryland

St. Mary's County, Maryland

- Population exceeded 100,000 in 2007
- Population growth 17.8% (2000-2008),
2nd highest in state
- Median household income growth 47.4%
(1999-2008), highest in state
- Over 70% of residents work in county
- Naval Air Station Patuxent River: 22,000 jobs;
county impact of over several billion dollars

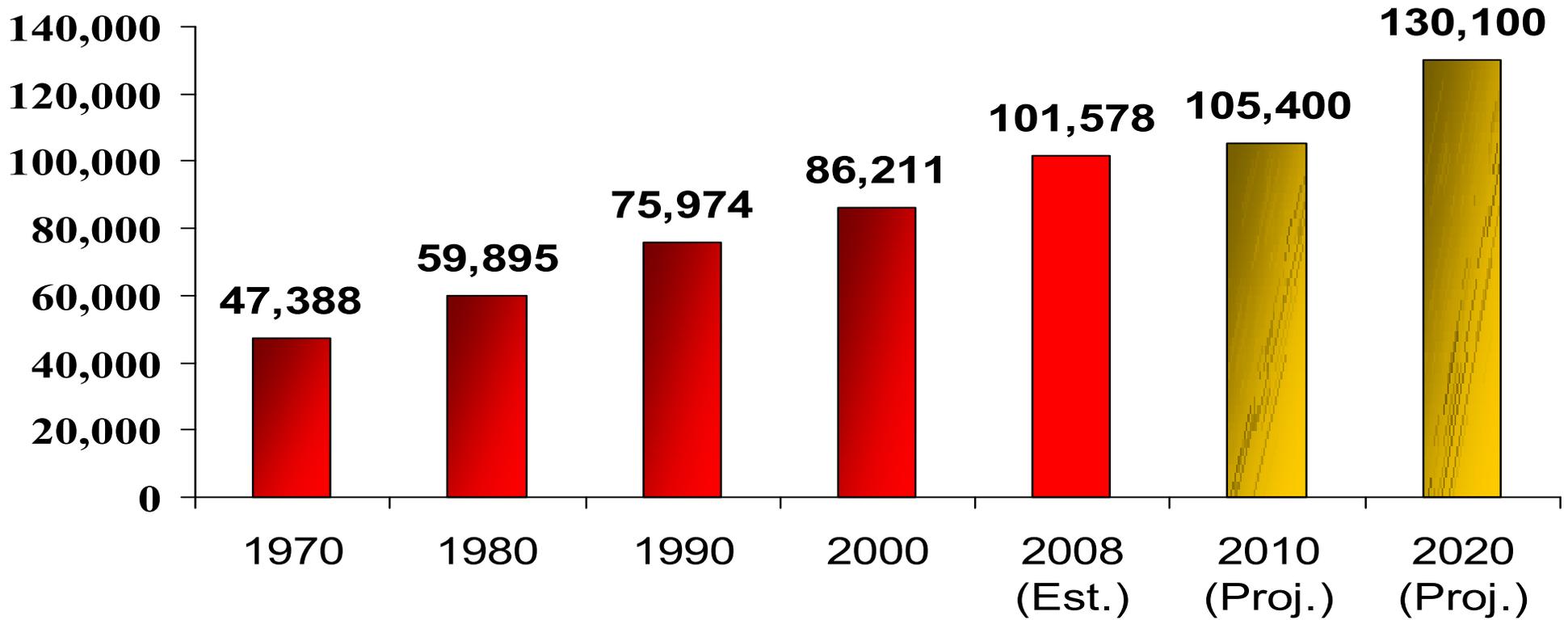
Location



Situated on a peninsula in Southern Maryland with over 500 miles of shoreline on the Patuxent River, Potomac River and the Chesapeake Bay.

The County is 38 miles Southeast of Washington D.C. and 90 miles South of Baltimore.

Population Growth in St. Mary's County



Population Growth has been steady for several decades.

Source: U.S. Census Bureau, July 1, 2008. Projections 2010 and 2020 are from Maryland Department of Planning, Planning Data Services, February 2009.

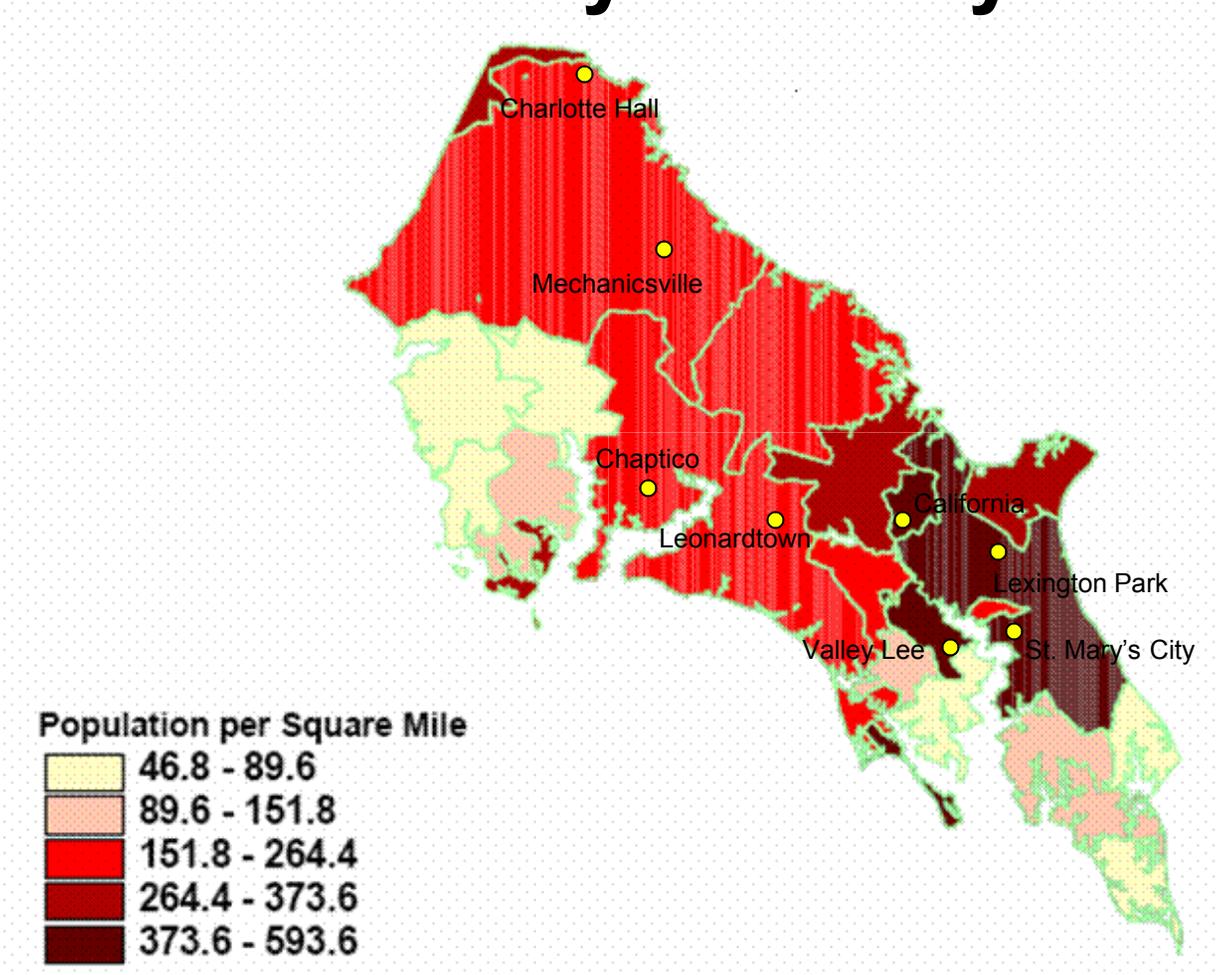
Population by Zip Codes in St. Mary's County

Mailing Area	Population
Abell	427
Avenue	1,098
Bushwood	568
California	6,139
Chaptico/Maddox	1,217
Charlotte Hall	1,451
Clements	878
Coltons Point	430
Dameron	316
Drayden	326
Great Mills	5,129

Mailing area	Population
Hollywood	8,064
Leonardtwn	10,842
Lexington Park	19,643
Mechanicsville	20,569
Park Hall	176
Patuxent River	2,838
Piney Point	887
Ridge	947
St. Inigoes	1,128
Scotland	329
Tall Timbers	618
Valley Lee	453

Source: U.S. Census Bureau, 2000.

Population Density by Zip Code in St. Mary's County



Source: U.S. Census Bureau. Zip code areas are the Bureau's versions of postal zip codes as they existed in 2000.



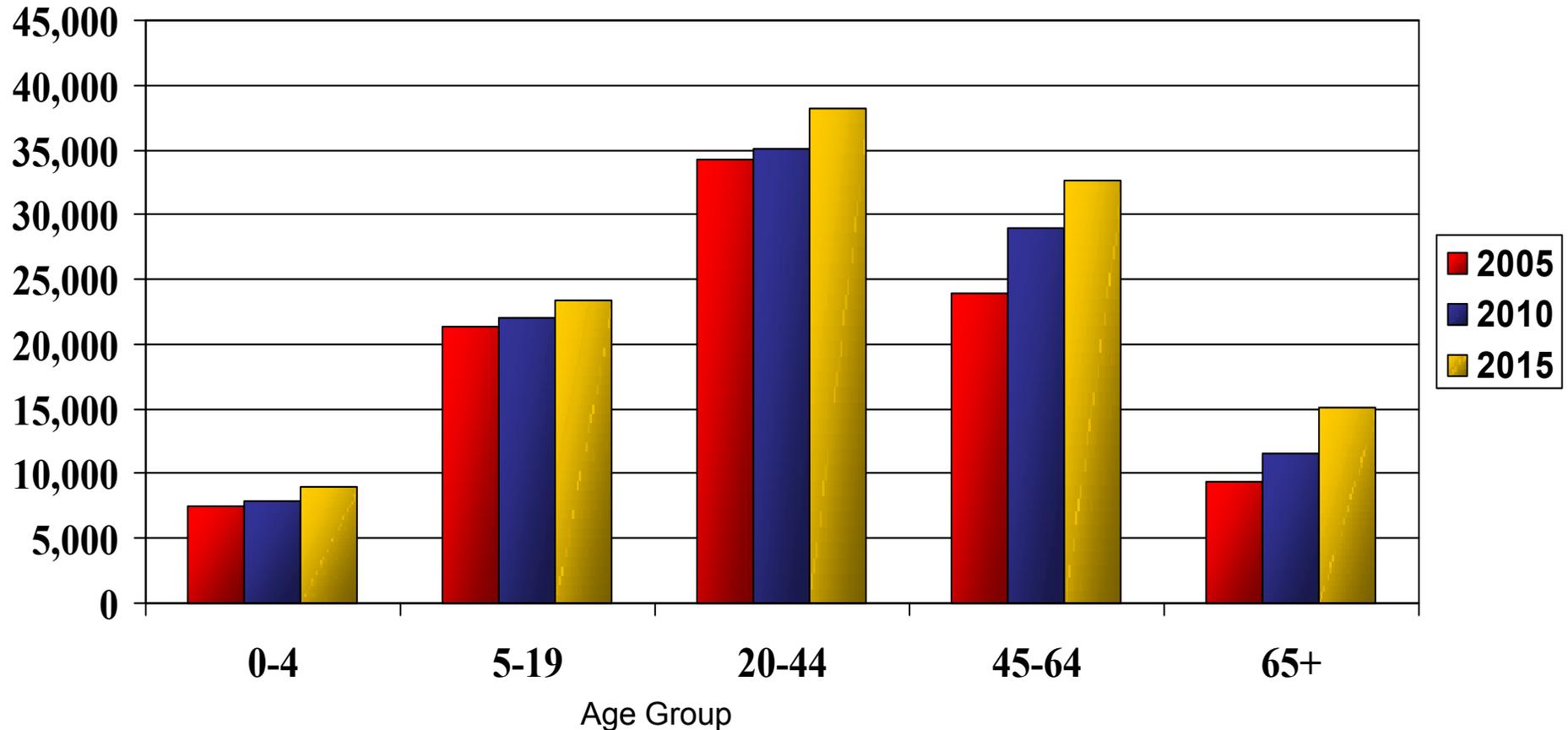
Population Density in St. Mary's County

Year (estimates)	Land Area	Population	Density
2005	361.2	96,868	268.2
2006	361.2	98,854	273.7
2007	361.2	100,378	277.9
2008	361.2	101,578	281.2

Note: Land area figures calculated per square mile.

Source: U.S. Census Bureau, July 1, 2008 population. Maryland Department of Planning, Planning Data Services, March 2001 for land area. Calculated density.

Projected Age Distribution in St. Mary's County



Projected age distribution growth is concentrated at the higher age groups.

Source: Maryland Department of Planning, February 2009.

Projected Age Distribution in St. Mary's County

Year	0-4	5-19	20-44	45-64	65+	Total
2005	7,490	21,350	34,270	23,930	9,410	96,450
2010	7,860	21,980	35,020	28,930	11,610	105,400
2015	8,910	23,400	38,240	32,580	15,070	118,200

Source: Maryland Department of Planning, February 2009. Totals may not add due to rounding.

Population Characteristics in St. Mary's County

Gender	Estimate	Percent
Total Population	101,578	
Male	50,567	49.8
Females	51,011	50.2

Age	Estimate	Percent
Total Population	101,578	
Median Age	34.4	
Under 5 Yrs	7,567	7.2
20 yrs +	72,291	71.1
65 yrs +	10,069	9.9
85 yrs +	1,149	1.1

Race	Estimate	Percent
Total Population	101,578	
White	81,903	80.6
Black	15,088	14.8
Hispanic	2,970	2.9
Asian	2,252	2.2
American Indian/Alaska Native	350	0.3
Native Hawaiian/Pacific Islander	73	0.1
One race	99,666	98.1
Two or more races	1,912	1.9

Source: U.S. Census Bureau, 2008 American Community Survey.

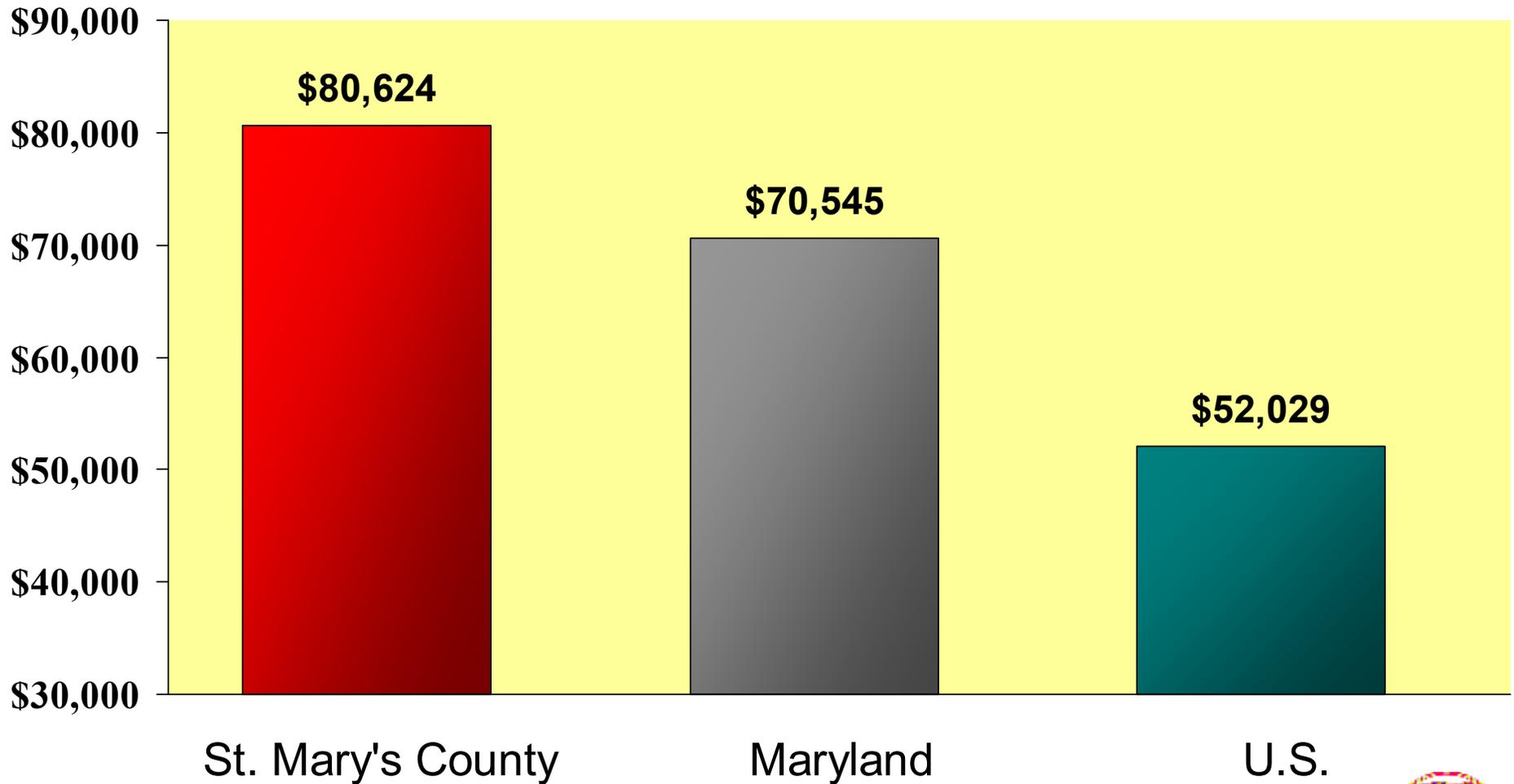
Educational Attainment in St. Mary's County

Social Characteristics	Estimate	Percent
Population 25 yrs and Over	66,101	
High School Graduate or Higher	(X)	91.1
Bachelors Degree or Higher	(X)	26.6

(X) - The value is not available.

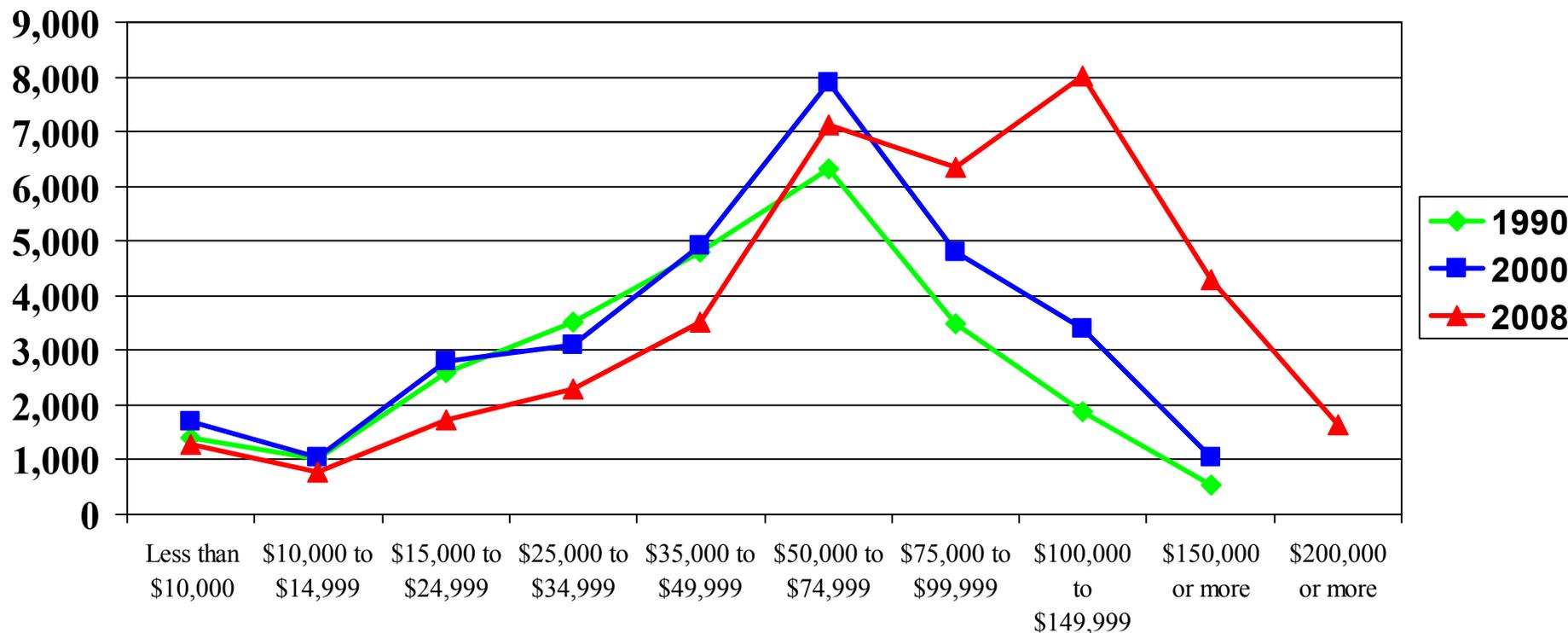
Source: U.S. Census Bureau, 2008 American Community Survey.

Median Household Income in St. Mary's County



Source: U.S. Census Bureau, 2008 American Community Survey.

Household Income Distribution in St. Mary's County



Household income growth has been concentrated at the higher income levels.

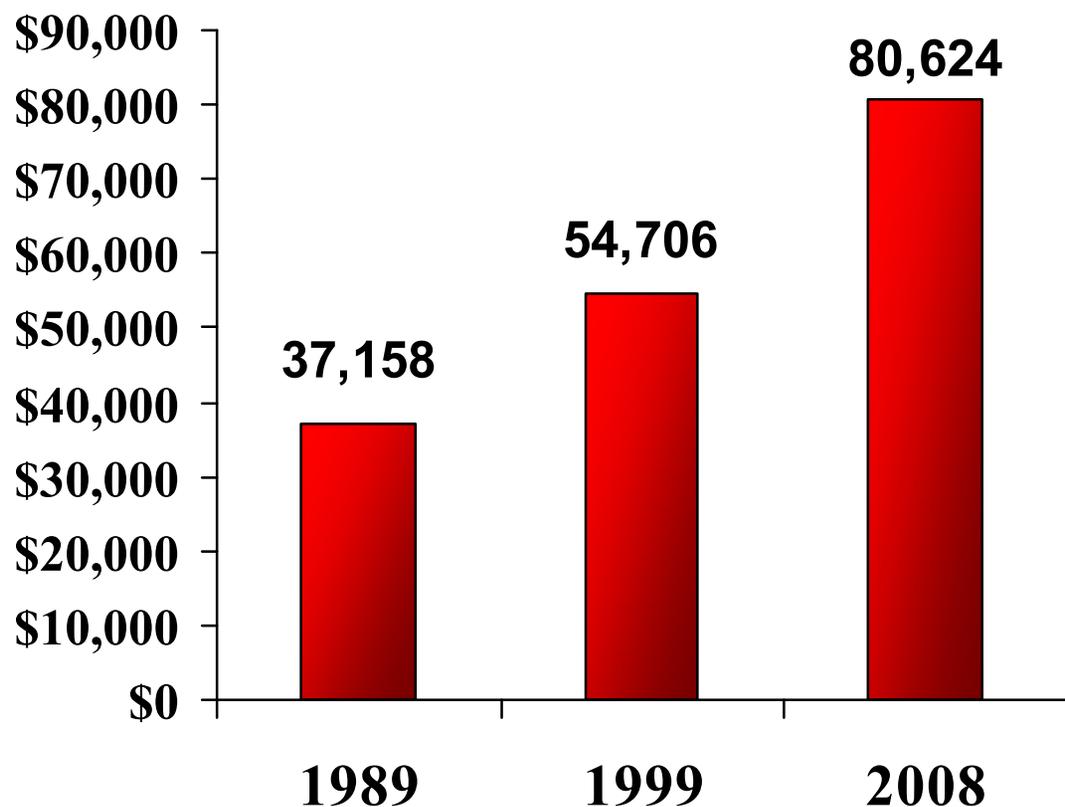
Source: U.S. Census Bureau, 2000 & 2008 American Community Survey.

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Median Household Income Growth in St. Mary's County

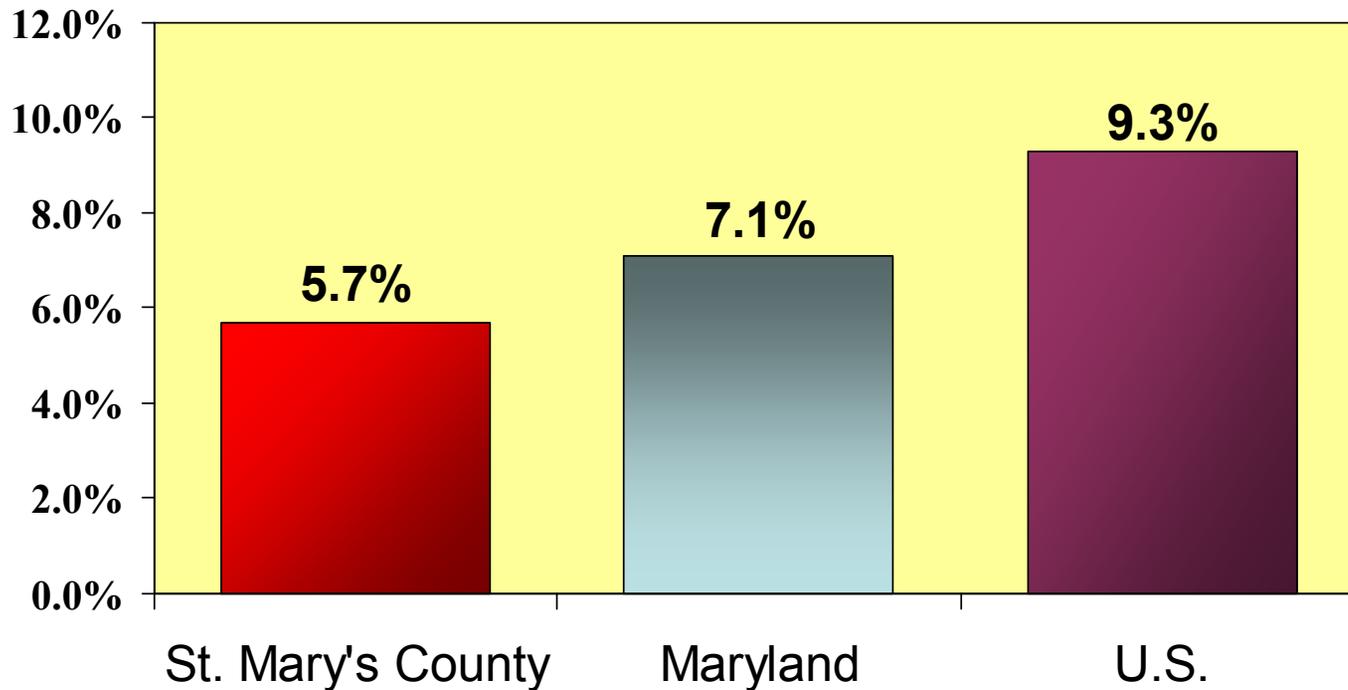


Median household income growth is 47.4% (1999-2008), highest in state.

Source: U.S. Census Bureau, 2008 American Community Survey.

Unemployment Rate

2009 Annual Average

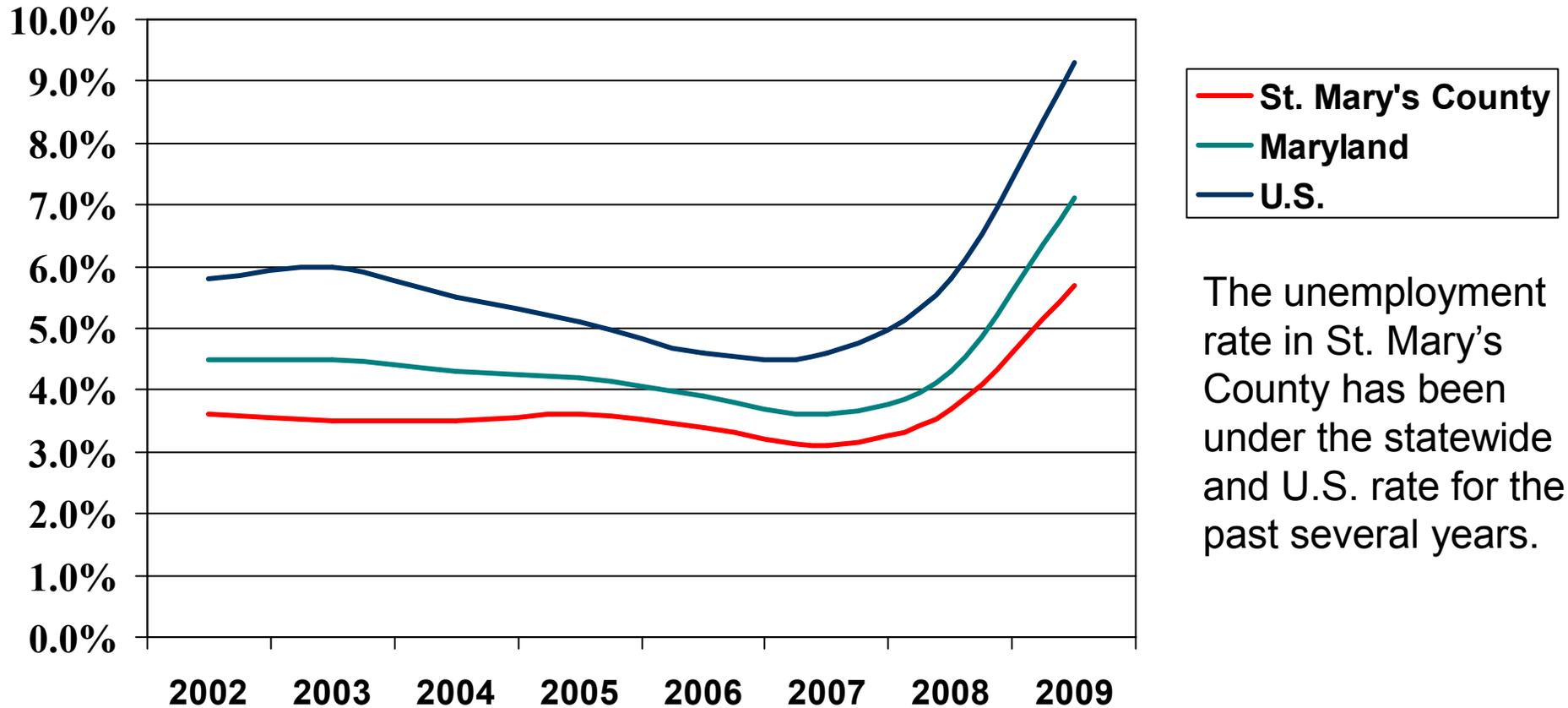


St. Mary's County held the 3rd lowest unemployment rate in the state.

Source: Maryland Department of Labor, License and Regulation, Career and Workforce Information as of January 2010/U.S. Bureau of Labor Statistics.

Unemployment Rate History

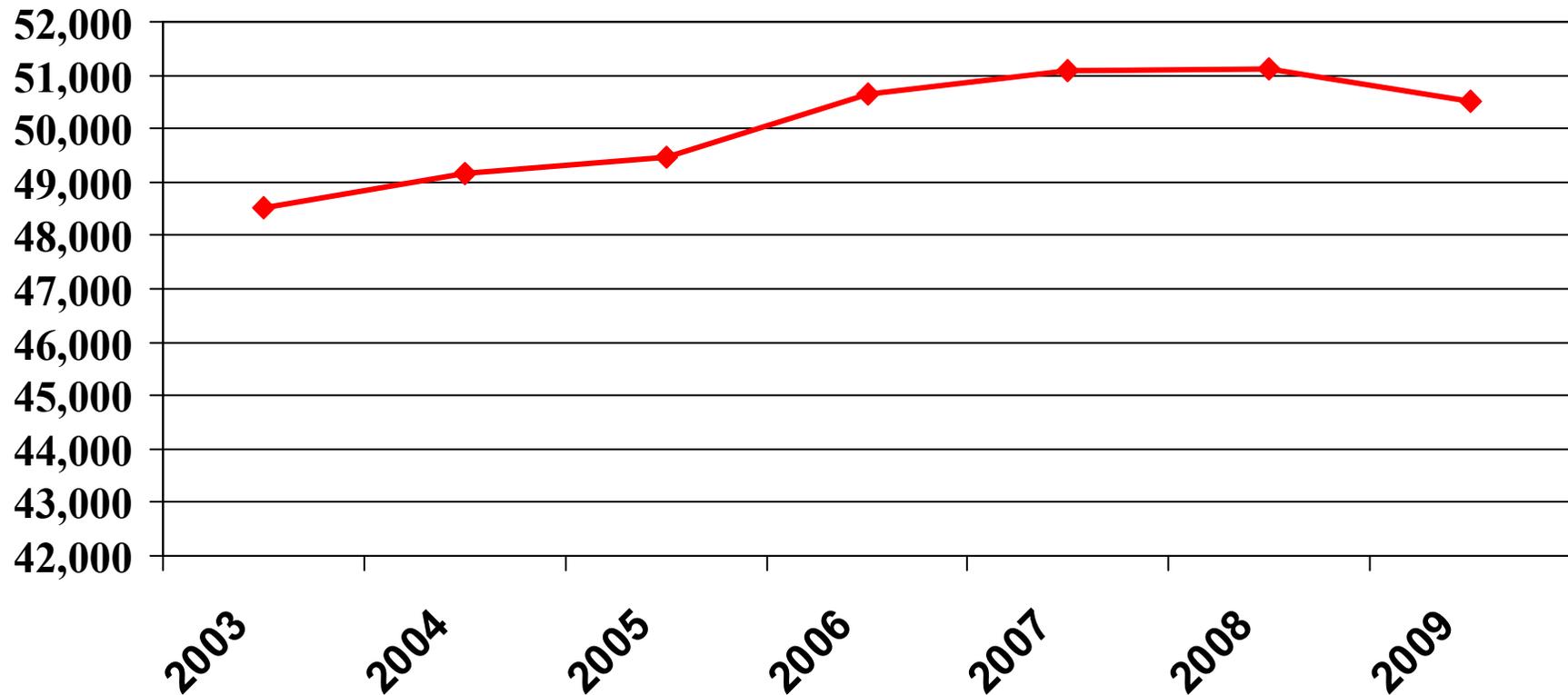
Annual Average 2002-2009



The unemployment rate in St. Mary's County has been under the statewide and U.S. rate for the past several years.

Source: Maryland Department of Labor, License and Regulation as of January 2010/U.S. Bureau of Labor Statistics.

Civilian Labor Force in St. Mary's County



The total Civilian Labor Force in St. Mary's County is stable.

Source: Maryland Department of Labor, License and Regulation as of January 2010.

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Labor Force Participation in Southern Maryland

2005	Total Population 16+	In Labor Force	% in Labor Force
Calvert County	64,680	45,500	70.3
Charles County	101,970	72,590	71.2
St. Mary's County	73,730	51,160	69.4
2010 (projected)	Total Population 16+	In Labor Force	% in Labor Force
Calvert County	70,690	49,250	69.7
Charles County	108,420	76,690	70.7
St. Mary's County	81,710	56,550	69.2
2015 (projected)	Total Population 16+	In Labor Force	% in Labor Force
Calvert County	75,350	52,020	69.0
Charles County	121,570	85,280	70.1
St. Mary's County	91,710	63,150	68.9

Southern Maryland commuters are primarily for aerospace and defense-related jobs at NAS Patuxent River, which is also great for retail.

Source: Maryland Department of Planning, Planning Data Services as of February 2009.



Average Weekly Wages & Percent Change in Southern Maryland

Location	2004	2008	% Change
St. Mary's County	\$852	\$1,010	18.5
Charles County	640	740	15.6
Calvert County	669	769	14.9
Southern Maryland	720	840	16.7
Maryland	818	953	16.5

St. Mary's County has one of the highest weekly wages in the state of Maryland.

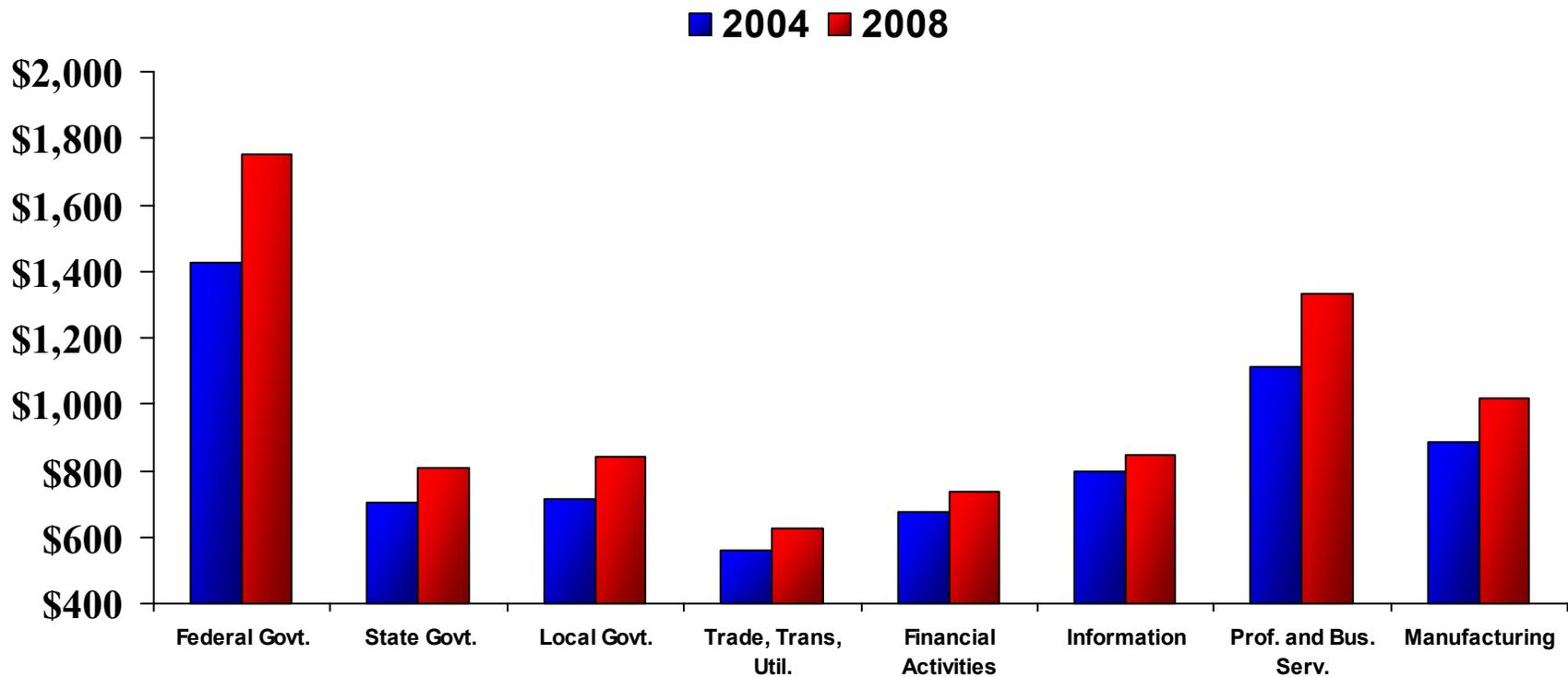
Source: Maryland Department of Labor, License and Regulation.

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Average Weekly Wages By Industry in St. Mary's County



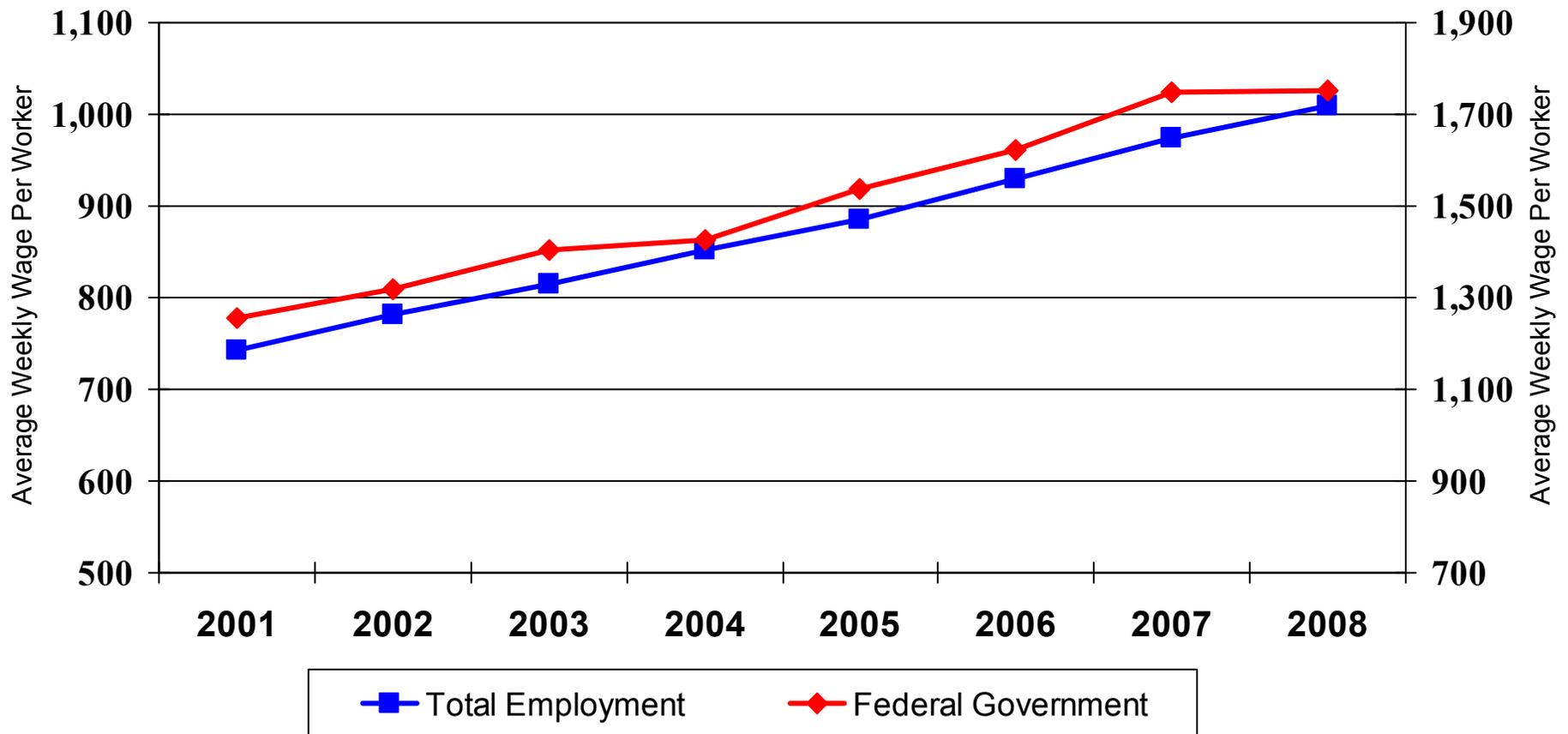
Source: Maryland Department of Labor, License and Regulation.

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Average Weekly Wage Growth in St. Mary's County



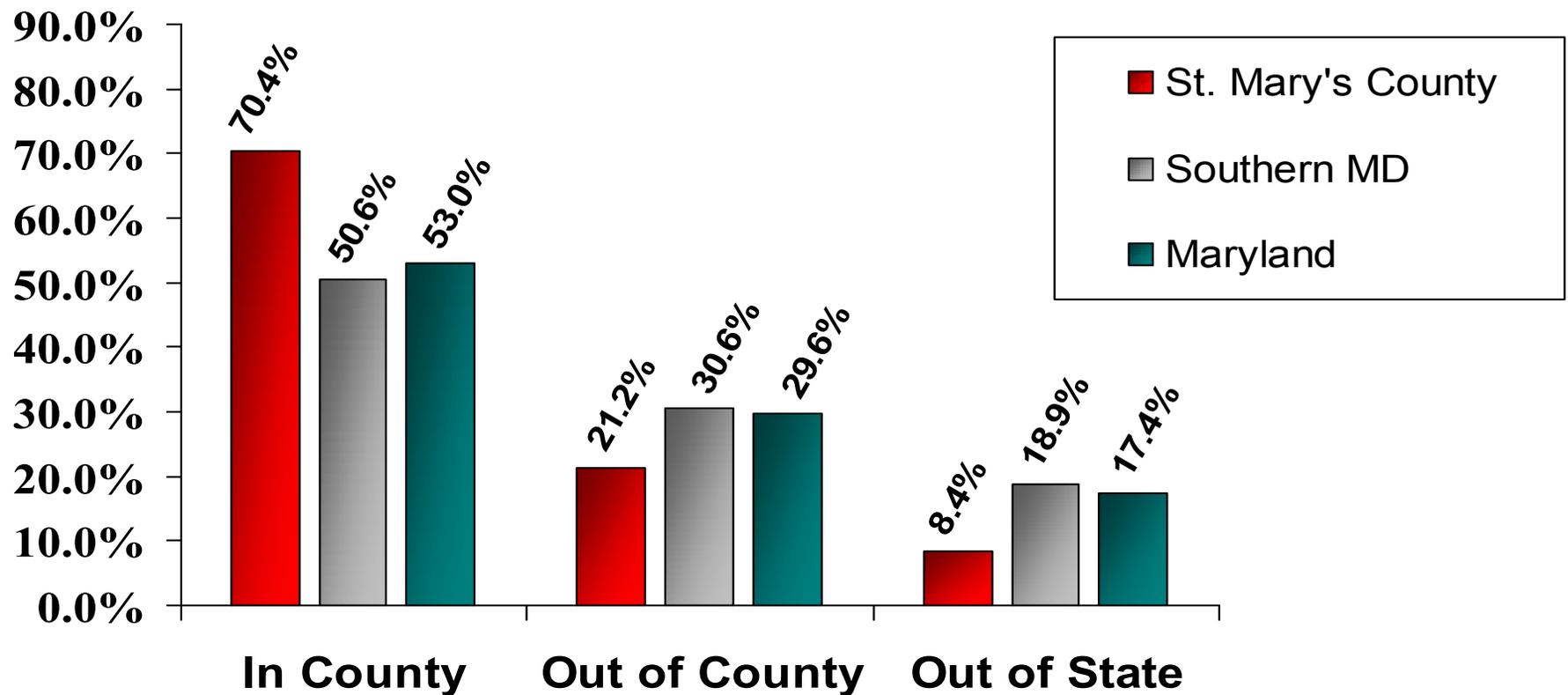
Source: Maryland Department of Labor, License and Regulation.

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Residents Place of Work



Over 70% of St. Mary's County's 54,973 workers are employed within the county.

Source: U.S. Census Bureau, 2008 American Community Survey.

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Commuting Patterns in Southern Maryland

		TO			
		Calvert County	Charles County	St. Mary's County	Other
FROM	Calvert County	14,795	1,178	3,725	17,858
	Charles County	640	24,800	2,197	34,061
	St. Mary's County	1,779	3,313	32,134	6,038
	Other	2,496	6,929	2,123	

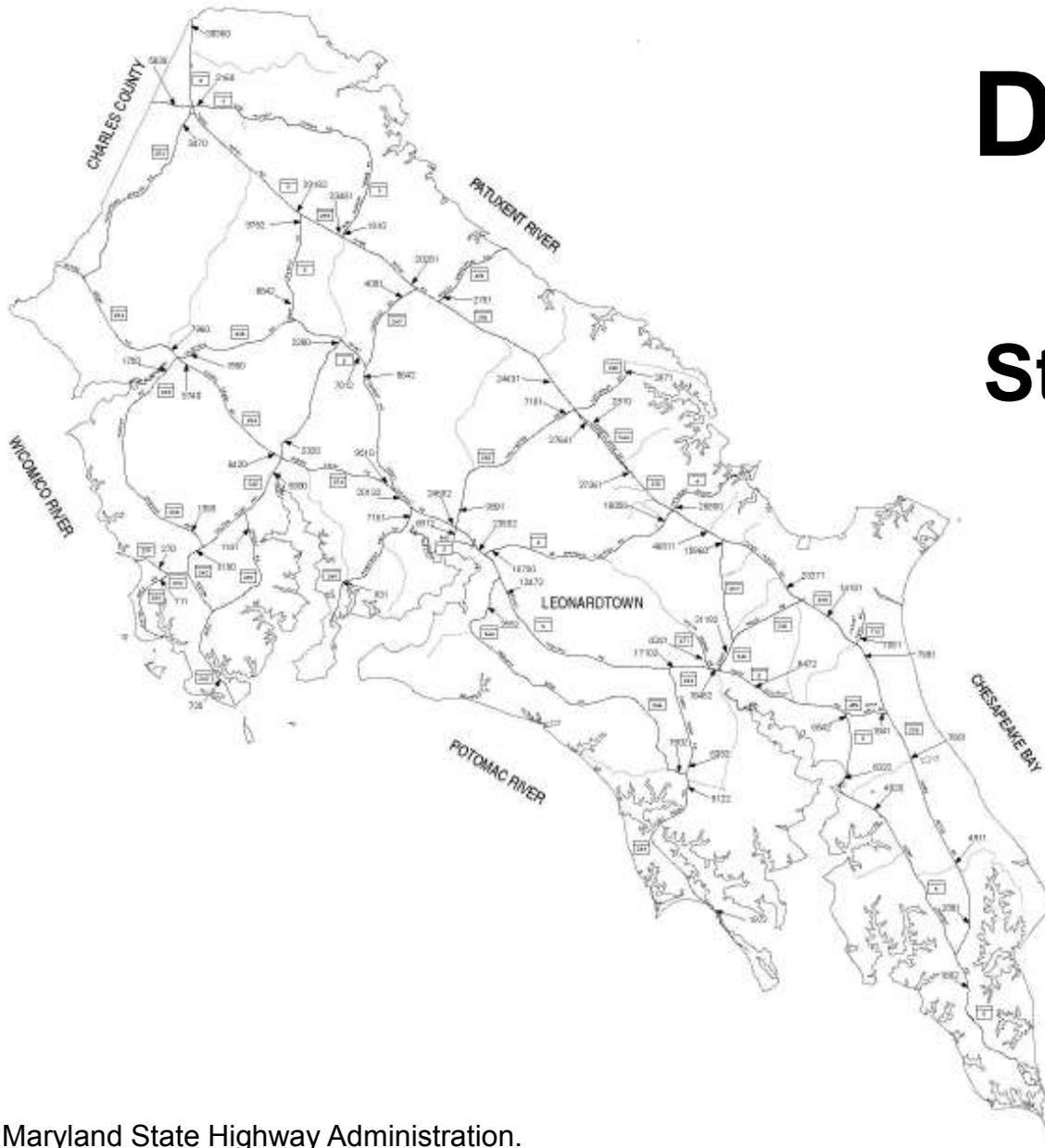
Source: U.S. Census Bureau, 2000.

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Daily Traffic Volume St. Mary's County 2008



Source: Maryland State Highway Administration.

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Employment Categories

Sector	Employment
Defense Contractors	10,400
Civil Service	7,400
Military	3,500
Public Schools	2,410
County Government	700
State Government	801

Public sector jobs, primarily defense-related jobs, dominate county employment, with defense contractors forming the largest private sector category.

Source: St. Mary's County Department of Economic & Community Development, February 2009.



Largest Employers - Defense

Firm	Employment
NAS Patuxent River	22,000*
DynCorp International	1,085
BAE Systems	806
Wyle	757
General Dynamics	519
Eagan, McAllister Associates	473
CSC	455
ManTech International	375

Firm	Employment
Booz Allen Hamilton	362
Sabre Systems	250
J.F. Taylor	250
Northrop Grumman	247
DCS	217
National Technologies Associates	200
Eagle Systems	192

*Military employers include contractors.

Source: St. Mary's County Department of Economic & Community Development, September 2008.

Largest Employers - Non-Defense

Firm	Employment
St. Mary's County Public Schools	2,410
St. Mary's Hospital	1,158
St. Mary's County Government	700
Wal-Mart	620
Charlotte Hall Veterans Home	454
St. Mary's College of Maryland	425
McKay's Foodland	395
Food Lion	283
Burch Oil	237
St. Mary's Nursing Center	218
Target	216
Paul Hall Center for Maritime Training & Education	210
Lowe's	192

Source: St. Mary's County Department of Economic & Community Development, September 2008.

Manufacturing Industry

- Manufacturing is a small but growing component of the County economy.
- BAE Systems, Wyle, CACI, Triton Metals, Sailing Specialties, Inc., Ship Point Machine Company, Inc., and others produce innovative products for military, transportation, law enforcement, communications, and custom plastics.



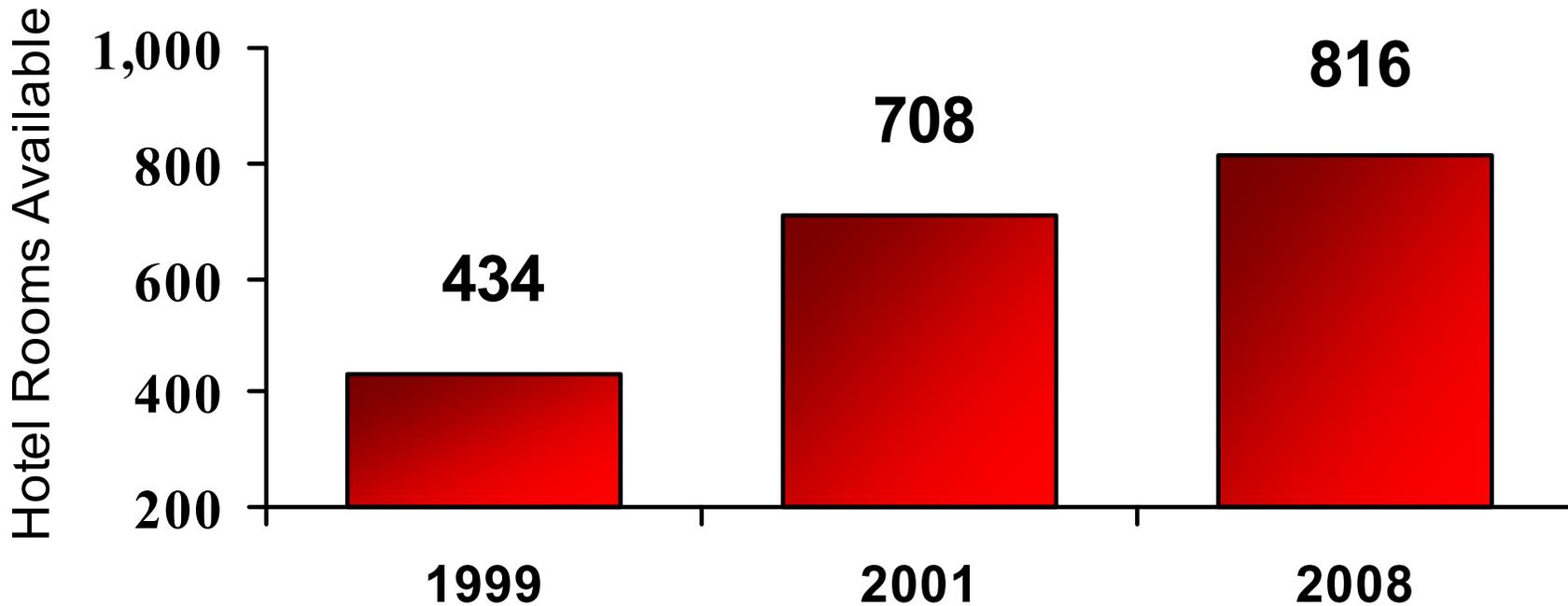
Source: St. Mary's County Department of Economic & Community Development.

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Hotel Development



The number of rooms have steadily increased and with new projects will continue to climb.

Source: St. Mary's County Department of Economic & Community Development, February 2009.

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Maryland's Newest Technology Corridor

In October 2002, the State of Maryland designated St. Mary's County as the second Technology Corridor in the State.



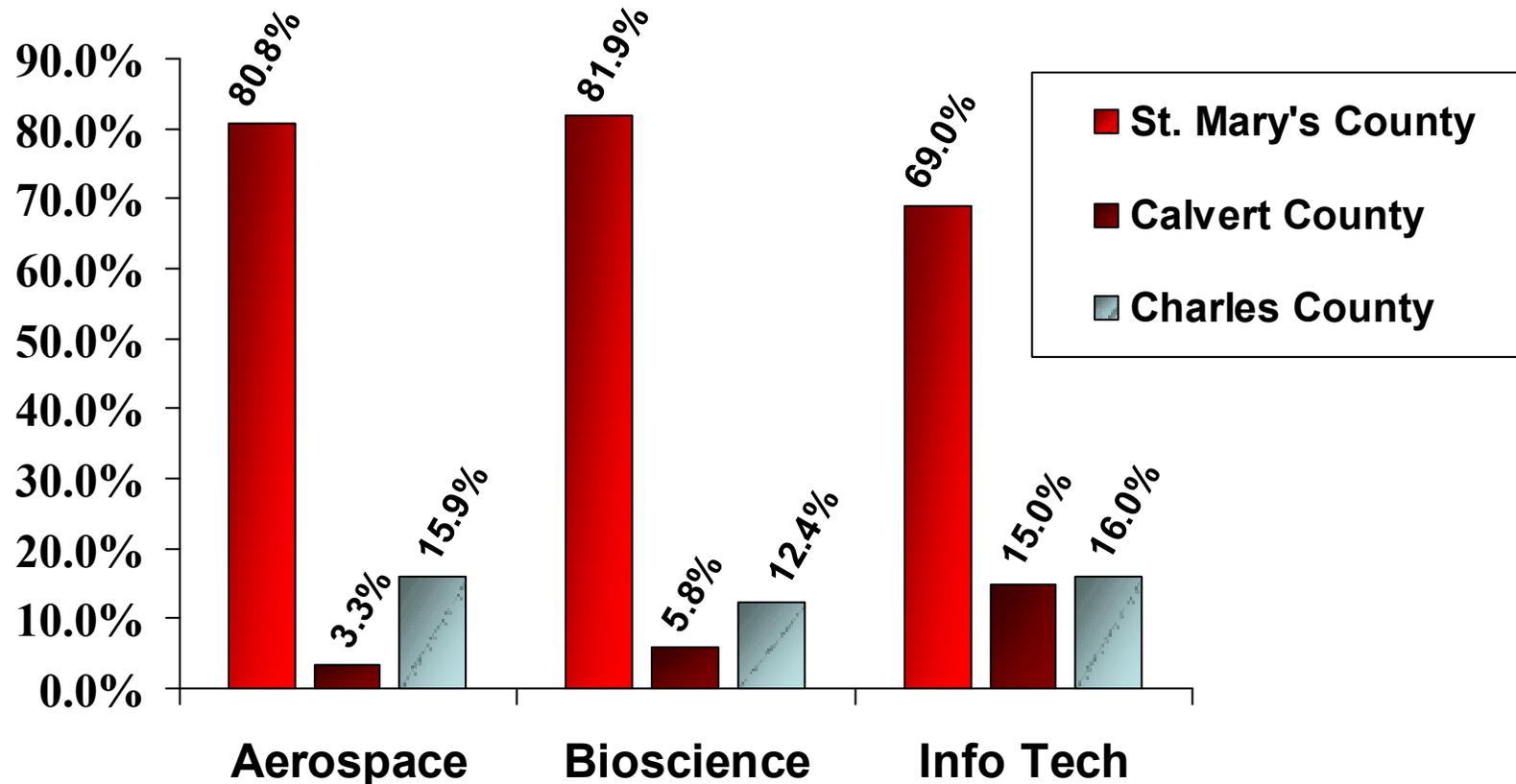
Source: St. Mary's County Department of Economic & Community Development.

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Aerospace/Bioscience/Info Tech Employment Percent of Regional Total



Home to the Naval Air Station Patuxent River, St. Mary's County ranks first in the Southern Maryland region for private sector employment in the Aerospace, Bioscience and Information Technology industries.

Source: Maryland Department of Labor, License and Regulation, 2007 annual averages.

Aerospace & Defense Industry

Home to Naval Air Station (NAS) Patuxent River and over 220 high-tech defense contractors, St. Mary's County has emerged as a world-class center for maritime aviation, research, development, testing and evaluation.



F-35 Lightning II Joint Strike Fighter, 3rd Flight Over Water, Photo courtesy of Lockheed Martin.

Source: St. Mary's County Department of Economic & Community Development.

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NAS Patuxent River in St. Mary's County

- Located in St. Mary's County on the Chesapeake Bay near the mouth of the Patuxent River.
- Headquarters of **Naval Air Systems Command (NAVAIR)** as well as **Naval Air Warfare Center Aircraft Division (NAWCAD)**, Naval Research Laboratory, Flight Support Detachment Air Test and Evaluation, and the **Webster Field Annex** at St. Inigoes.
- Home to U.S. Naval Test Pilot School and VC-6 Unmanned Aerial Vehicle Detachment.
- World-class facilities, labs, and workforce which provide a full spectrum of Research, Development, Acquisition, Test & Evaluation (RDAT&E), engineering, and fleet support center for air platforms.



Businesses interested in working with NAVAIR should visit the NAVAIR website, <http://www.navair.navy.mil> and click on "Business Opportunities."

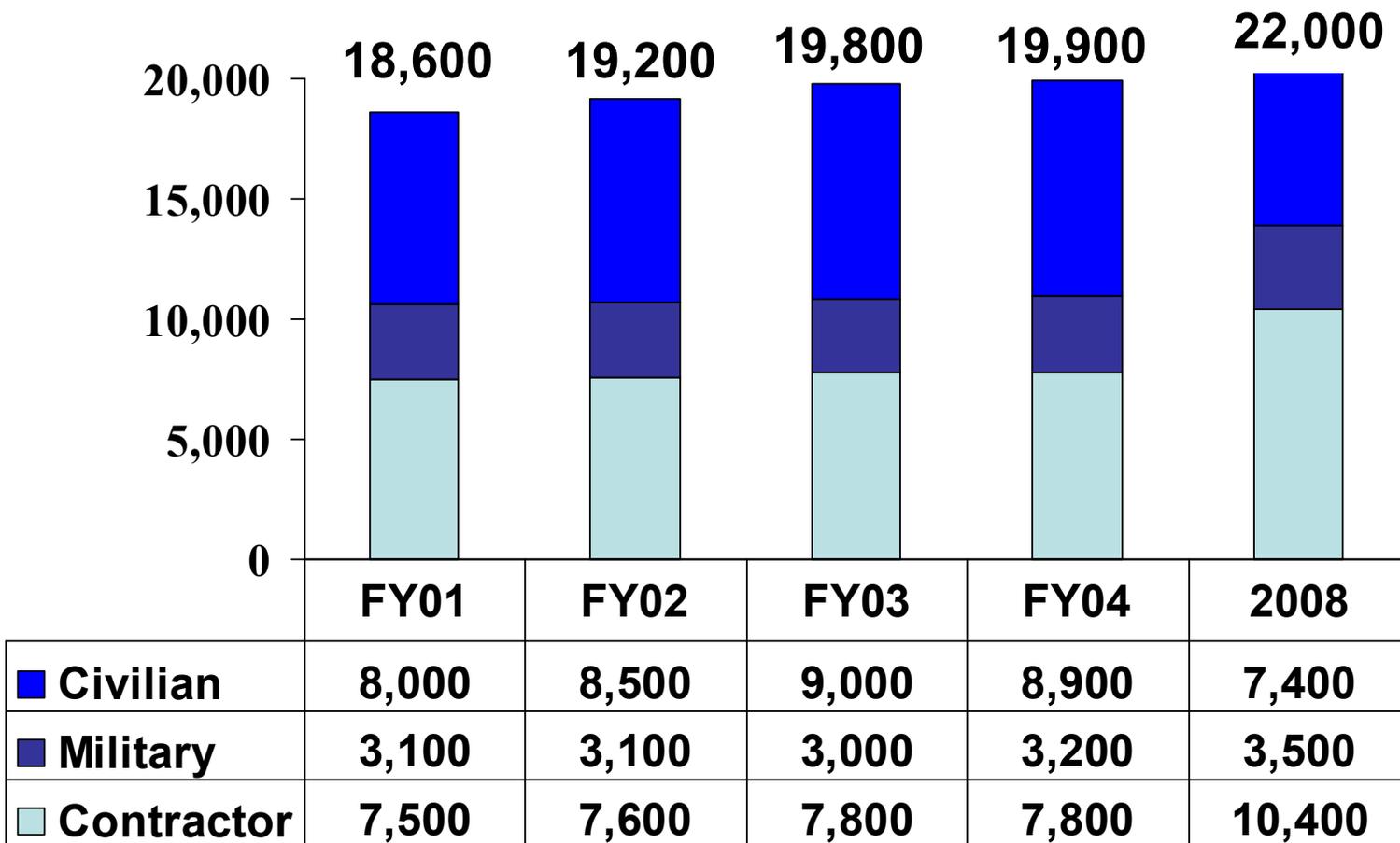
Source: Naval Air Station Patuxent River.

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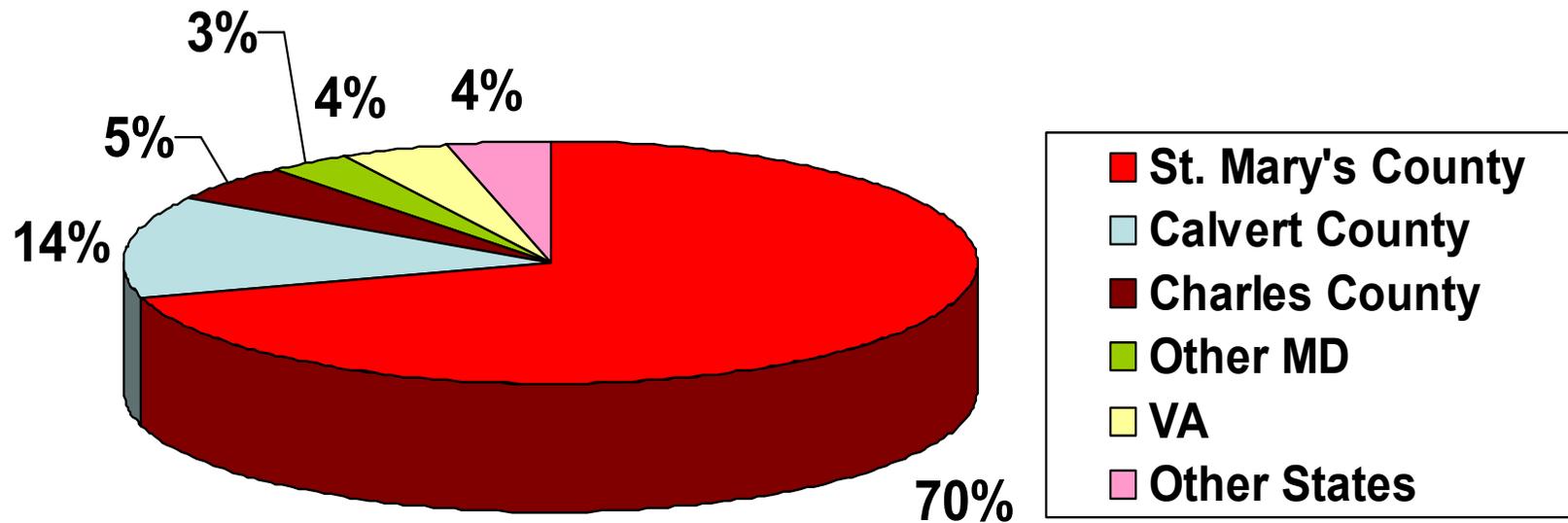


NAS Patuxent River Employment Levels



Source: Naval Air Station Patuxent River.

NAS Patuxent River Employment by Residence



More than two-thirds of the 7,725 NAS Patuxent River civilians are county residents. Others commute from counties to the north and from Northern Virginia.

Source: Naval Air Station Patuxent River, February 2009.

NAS Patuxent River

Current and Future Programs

Current Programs

- Joint Strike Fighter (JSF) F-35 Lightning II
- EA-18G Growler
- E-2D Advanced Hawkeye
- F/A-18E/F Super Hornet
- MV-22B Osprey
- CH-53K Heavy-Lift Helicopter
- Horizontal Accelerator-NTSB, FAA, DoD
- KC-130J
- MH-60 Romeo and Sierra
- UH-1 Upgrade
- Unmanned Air Systems (UAS)
- BAMS UAS
- JPALS

Future Programs

- P-8A Poseidon - *Testing begins 2010*
- X-47B Unmanned Combat Air System (UCAS-D) - *Testing begins 2010*



UCAS-D

Source: Naval Air Station Patuxent River, January 2010.

Defense Economy Opportunities

New Fighter Aircraft Lands in St. Mary's County

- Three of DoD's newest fighter aircraft, the F-35 Lightning II (Joint Strike Fighter) recently arrived at NAS Patuxent River for flight test & evaluation. **8 of the 14 F-35 Lightning II test aircraft to be tested at NAS Patuxent River.**
- Two P-8A Poseidon Multimission Maritime Aircraft (MMA) scheduled to arrive in 2010.
- Two X-47B Unmanned Combat Air Systems (UCAS-D) carrier-based aircraft to arrive in 2010.
- The preparation for programs to arrive in the next few years include the CH-53K Super Stallion Heavy-Lift Helicopter.



F-35 Lightning II JSF



CH-53K Heavy-Lift
Helicopter

Source: NAS Patuxent River, January 2010

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Technology Growth

- 129 technology companies in 2000 Technology Handbook
- 215 technology companies in 2009 handbook
- 67% growth since 2000



Although the major influx of new activity at the Naval Air Station Patuxent River occurred in the late 1990s, growth in the number and diversity of technology firms continues.

Source: St. Mary's County Department of Economic & Community Development.

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Broadband (High Speed Internet) Accessibility



- Cable modem offered by MetroCast throughout most of the County. Newer cable franchise agreement to increase coverage and capabilities through the rest of the county. Comcast services the Charlotte Hall and Golden Beach areas.
- DSL Internet Service offered by Verizon, service capabilities expanding constantly.
- Wireless internet offered in select locations.
- Tri-County Broadband Improvement Initiative.

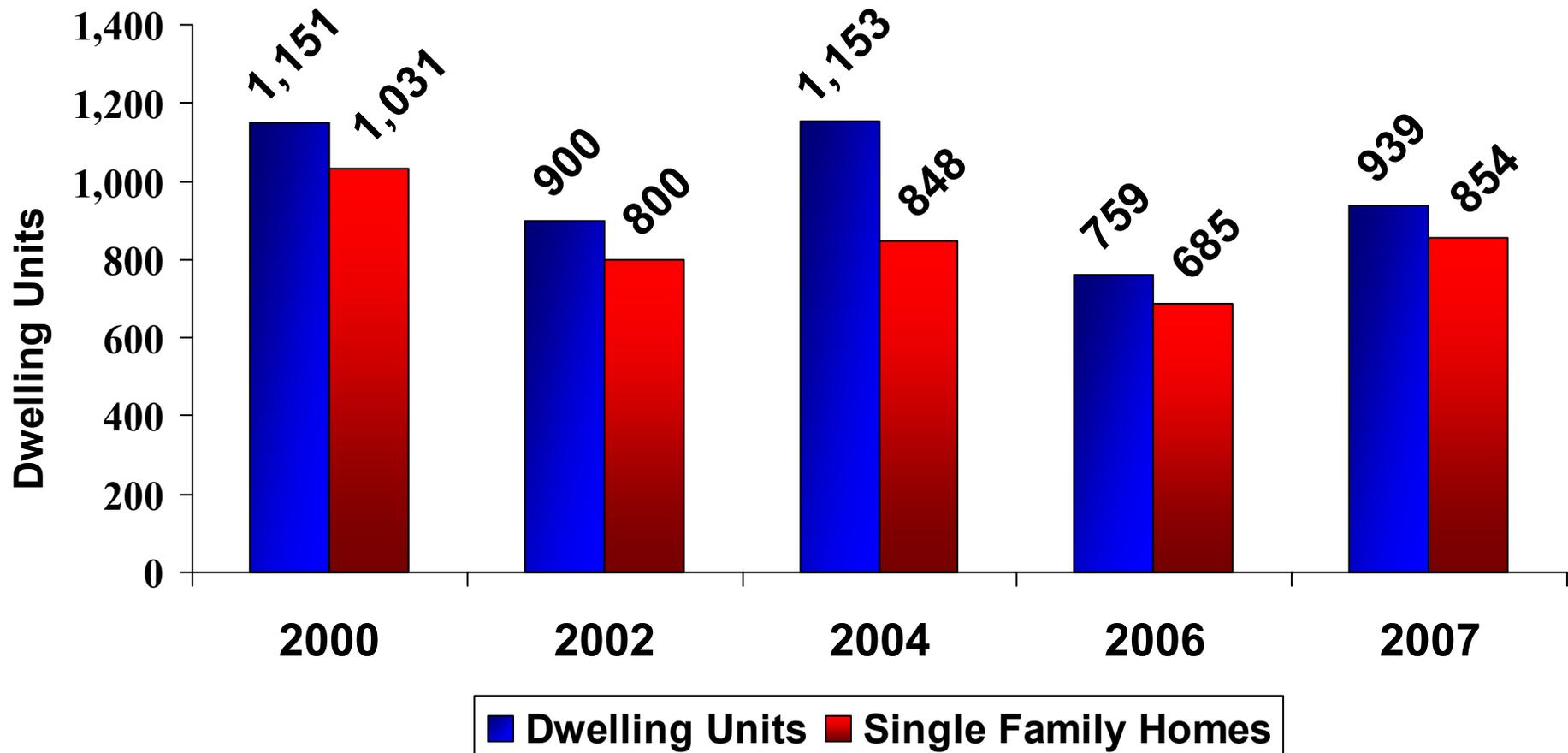
Source: St. Mary's County Department of Economic & Community Development.

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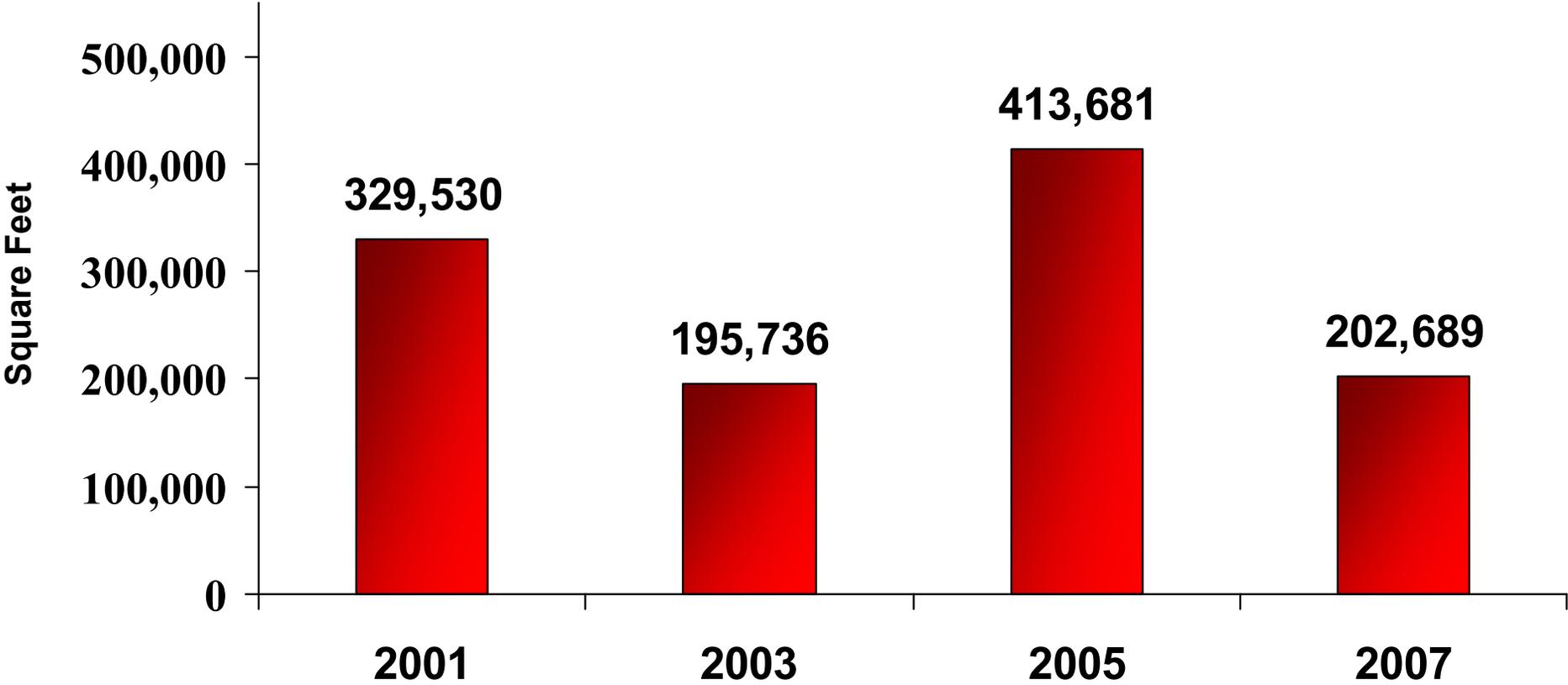


New Housing Units Authorized For Construction



Source: Prepared by Maryland Department of Planning, Planning Data Services, 2008.

Building Permits Issued for Commercial/Industrial Space



Source: St. Mary's County Department of Land Use & Growth Development.

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Community Infrastructure Investments

- Over \$350 million in local and state infrastructure investment to support the Navy expansion since 1998
- These projects include:
 - Education
 - Transportation
 - Other (library, parks, airport, etc.)

Source: St. Mary's County Department of Economic & Community Development.

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Commercial Market

- **Commercial Office Space** - Rapid demand keeps cost competitive; average cost of \$19.25/sq.ft. compares favorably with Northern Virginia (Class A, full service)
- **Utilities** - Electric service provided by Southern Maryland Electric Cooperative

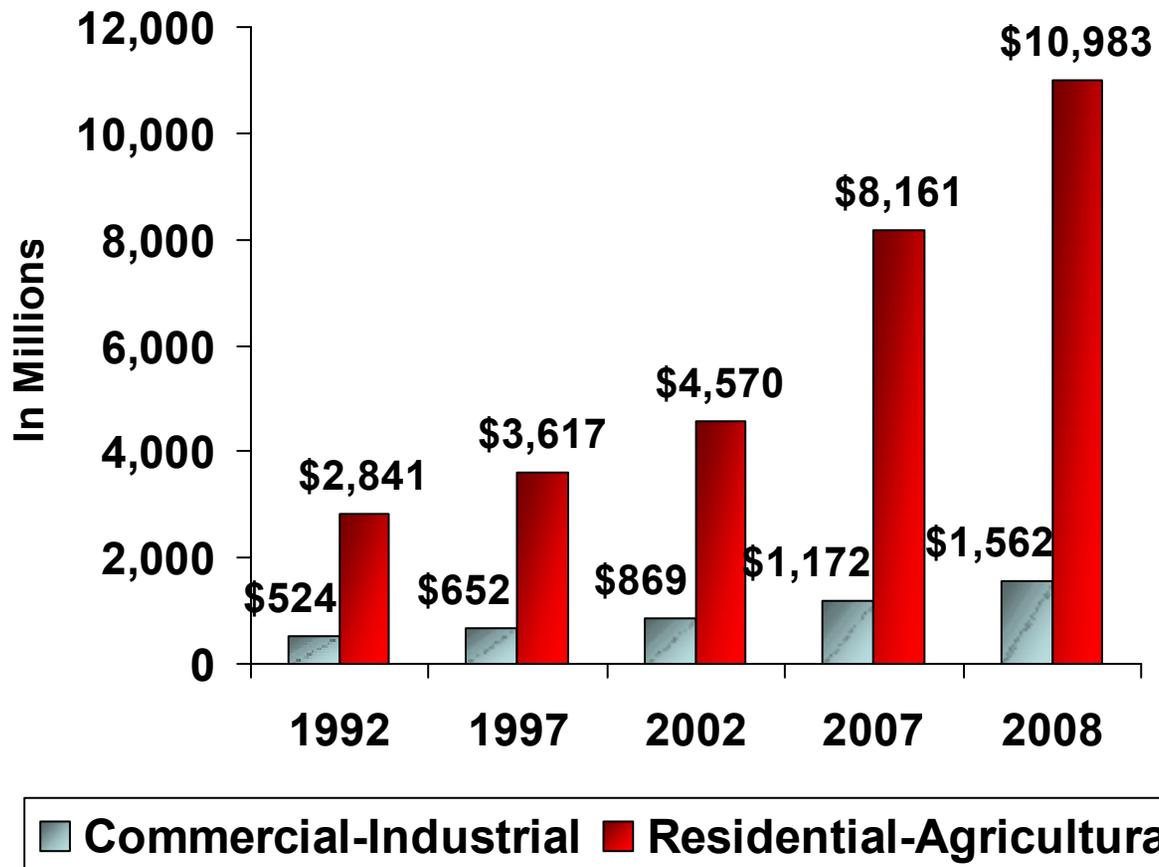
Tax Rates

	St. Mary's County	Maryland
Corporate Income Tax (2009) Base – Federal taxable income.	none	8.25%
Personal Income Tax (2009) Base – Federal adjusted gross income. *Graduated rate peaking at 6.25% on taxable income over \$1 million.	3.00%	2.0%-6.25%*
Sales and Use Tax (2009) Exempt – sales for resale; manufacturer's purchase of raw materials; manufacturing machinery and equipment; purchases of materials and equipment used in R&D and testing of finished products; purchases of computer programs for reproduction or incorporation into another computer program for resale.	none	6.0%
Real Property Tax (FY 2009) Effective rate per \$100 of assessed value. In addition to this rate, there are some miscellaneous taxes and/or special taxing areas in the county. In an incorporated area, a municipal rate will also apply.	\$0.857	\$0.112
Business Personal Property Tax (FY 2009) Rate per \$100 of depreciated value. Exempt – manufacturing and R&D machinery, equipment, materials and supplies; manufacturing, R&D, and warehousing inventory. In an incorporated area, a municipal rate will also apply.	\$2.143	none

Source: Maryland State Department of Assessments and Taxation; Comptroller of the Treasury.



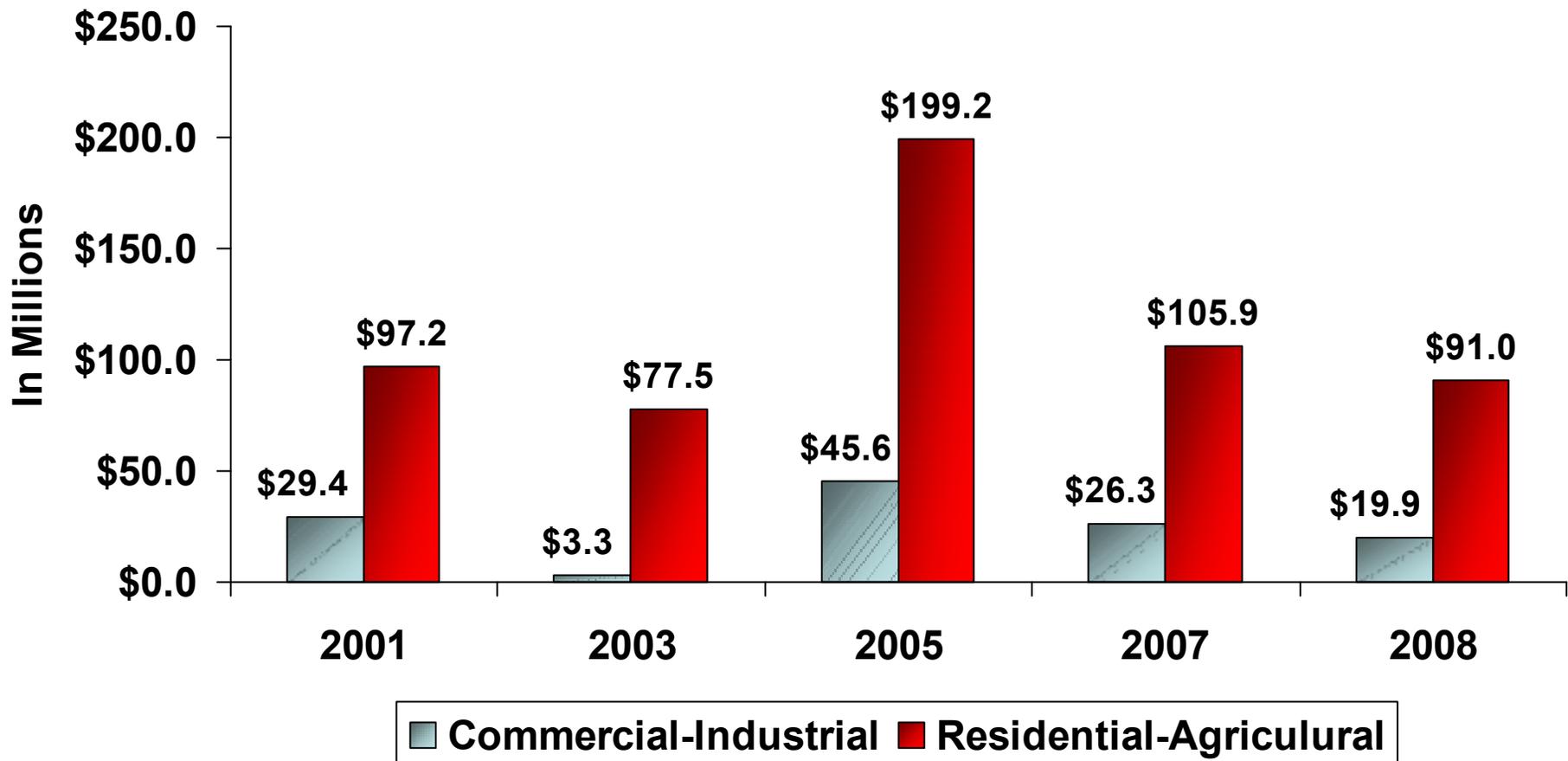
Property Assessments



Expansion of the workforce at NAS Patuxent River and the need for housing has greatly expanded the assessment base.

Source: Maryland State Department of Assessments and Taxation, March 2009.

New Construction Assessments



Source: Maryland State Department of Assessments and Taxation, March 2009.

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Average Home Sales in St. Mary's County

	Apr 2009	Apr 2008	% Change
Average Sold Price:	\$299,185	\$334,735	-10.62%
Median Sold Price:	\$245,000	\$299,450	-18.18%
Total Units Sold:	64	76	-15.79%
Average Days on Market:	138	161	-14.29%
Average List Price for Solds:	\$336,622	\$369,797	-8.97%
Avg. Sale Price as a percentage of Avg. List Price	88.88%	90.52%	

Source: Metropolitan Regional Information Systems, Inc. - MLS Resale Data, generated 5/06/09.

Housing Price Trends in Southern Maryland

2008 Year End	Median Household Sold Price	Total Units Sold
Calvert County	\$310,000	705
Charles County	\$299,000	1,269
St. Mary's County	\$300,000	958

April 2009	Median Household Sold Price	Total Units Sold
Calvert County	\$242,500	58
Charles County	\$236,750	86
St. Mary's County	\$245,000	64

Source: Southern Maryland Association of Realtors.

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State Enterprise Zone

The Lexington Park area in St. Mary's County has been designated a State Enterprise Zone, affording incentives for expanding businesses including:

- Ten-year, **80%** credit against local real property taxes for new investment in real property improvements.
- One or three year credit for wages paid to new employees-- \$1,000 per employee and **\$6,000** per economically disadvantaged employee over three years.
- Preferential consideration for financing programs of the Maryland Department of Business and Economic Development.

Source: St. Mary's County Department of Economic & Community Development.

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Economic Recap

- Steady population growth
- Strong job growth
- Rising incomes
- Defense economy strong
- Supportive public investment
- Diversification initiatives underway

Source: St. Mary's County Department of Economic & Community Development.

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Links

Bureau of Labor Statistics, U.S. Department of Commerce

www.bls.gov

U.S. Census Bureau

www.census.gov

Maryland Department of Economic and Business Development

www.choosemaryland.org

Maryland Department of Labor, Licensing and Regulations

www.dllr.state.md.us

Maryland Department of Planning

www.mdp.state.md.us

Links (cont.)

Maryland Association of Counties

www.mdcounties.org

NAVAIR Business Development Office

www.nawcad.navy.mil/business.cfm

Naval Air Station Patuxent River

www.nas.nawcad.navy.mil

St. Mary's County Government, Department of Land Use & Growth Management

www.stmarysmd.com/lugm

Tri-County Council of Southern Maryland

www.tccsmd.org

Maryland Office of Tourism Development

www.mdisfun.com