



4 REAL ESTATE MARKET ANALYSIS

A. INTRODUCTION

Non-residential real estate is one of many pieces within a comprehensive economic development strategy that can influence the implementation strategy. Existing companies need room to grow. New companies need space to conduct business and store products. In addition, understanding what type of real estate has been developed or sold and the current demand for property can illuminate opportunities to fill existing gaps in supply or identify market conditions that need to be addressed. This chapter focuses on better understanding the commercial (office and retail/service) and industrial real estate markets and their respective influence on economic development efforts for the City of Cumberland.

B. MAJOR FINDINGS

There is limited undeveloped land available in Cumberland. Cumberland is a mature community which is largely developed. Therefore, undeveloped land is in limited supply. The undeveloped supply of land is further reduced by environmental constraints, such as topography and wetlands, which can make development costly and impractical. Recent green-field development has largely taken place outside of Downtown Cumberland, where larger pieces of undeveloped land are still available. This indicates that most future development, particularly efforts to revitalize areas in and around Downtown, will focus on in-fill or redevelopment of small sites. Issues such as property assemblage need to be taken into account.

The non-residential market has not yet recovered from the impact of the 2008 Recession and economic downturn. Development trends within the City indicate there has been very little construction. Broker feedback corroborates this finding, and further indicates that investment in non-residential property has not returned to pre-Recession levels. The economic downturn not only reduced investment activity, but also consumer demand. The continued loss of population—and the corresponding consumption levels—in the City is exacerbating this challenge. For the City's efforts to encourage real estate market growth, the economic development effort needs to both improve the market climate for business and attract new residents to the City.

Cumberland has an oversupply of existing retail space, particularly in Downtown. Retail/service properties account for the largest single type of non-residential real estate in Cumberland. Due to the recent economic shift noted above, a large inventory of these properties are either for sale or for lease. This inventory of available properties, greater than the number sold in recent years, indicates that supply of retail/service properties exceeds the existing demand. Therefore, a better understanding of the current retail/service market is needed in order to identify the best approach for reducing the surplus of property. This will include finding alternate uses for available space, identifying redevelopment opportunities, and conducting additional research to better understand what type of retail is best suited for the consumer market in Cumberland.



Institutional and corporate investment is the main source of new development in Cumberland. Given the limited available land for development and current market constraints related to consumer demand and spending patterns, many of the recent and upcoming development activity in Cumberland involves large institutions or national/regional corporate entities focused on investments near Interstate 68. At a base level, the investment locations indicate businesses are seeking to augment the local consumer base with the thru-traffic along the Interstate. Furthermore, these entities have the capital absorb the risks associated with development in the current market. These findings indicate that development potential is limited to specific locations and types of development in the near-term development projects without some form of public private partnership.

Opportunity for planned, non-residential development that is tied to an area vision has the potential to positively impact the economy. The real estate market analysis reveals that a more directed, vision-based approach is needed to encourage a revival of the non-residential real estate market in Cumberland. Opportunity sites have been identified through combining the vision of the community and the results of the market analysis. Existing market and socioeconomic conditions have been used to inform the potential focus for future strategic investment efforts. However, for redevelopment and the resulting economic growth potential to be realized, additional research and planning efforts are needed to identify how to approach each area in order to ensure that the City can maximize the impact of its economic development investments.

C. METHODOLGY

The analyses included in this Chapter primarily utilize the property tax assessment data from the Maryland State Department of Assessments and Taxation. The assessment records are used as the primary source for non-residential property data because they provide the most accurate accounting of real property available. In addition to being used to understand current development and development trends overtime, the assessment data includes sales data used in the analysis of recently sold property. Due to limitations in the data, estimates were used by RKG Associates when information was missing within the assessment records. Therefore analyses that use this data do not represent a full accounting of all properties in Cumberland. Rather, the data provides an accurate picture of recent trends in development, valuation, and sales activity.

Additional analyses—including an analysis of current non-residential assets—were based on data provided by the City of Cumberland and local real estate brokers. RKG Associates held several interviews with real estate professionals, developers and business owners to verify empirical data and gain a more comprehensive understanding of the real estate market in Cumberland. Anecdotal data is identified in the analysis.

D. REAL ESTATE MARKET CONDITIONS

The real estate market conditions and economic conditions are heavily correlated in Cumberland. The recent 2008 Recession provides a compelling illustration of the relationship between real estate and the local economy. At a national level, the economic downturn brought numerous economic development and real estate projects to a halt, while others were forced to complete at a time when demand was low. Only in the last three for four years has the real estate market started to revive nationally. Development was not the only area of real estate impacted by the economic downturn. As companies and businesses looked for ways to weather sharp declines in demand for goods and services, some were forced to close, leaving store fronts vacant office space unoccupied. This protectionist mentality also extended to business expansion and fewer companies considered opening



new locations or purchasing new property. Many of the impacts of the 2008 Recession listed above have had an impact on the current condition of the Cumberland real estate market. This section further analyzes current market conditions and trends which help to inform the focus of opportunity sites discussed at the end of this chapter.

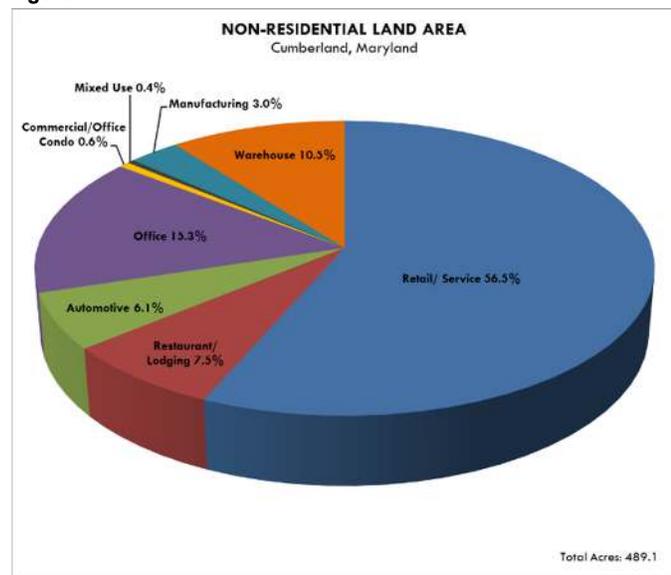
1. Development Profile

The development of Cumberland is highly influenced by topography. The Central Business District—where the greatest concentration of retail, service and office property has developed over time—is adjacent to the Potomac River and in the flattest part of the City. Industrial and manufacturing development is primarily along the Potomac River in the southern and western part of Cumberland to take advantage of river transportation routes and water-based production uses needed for these industries. Surrounding these centers for commerce and industry are residential neighborhoods shaped by the mountainous topography around the lowland adjacent to the North Branch of the Potomac River and Wills Creek. More recently, additional non-residential uses have been developed along the outer boundary of Cumberland to take advantage of the development of Highway 40/Interstate 68.

Retail/service properties account for a large portion of all non-residential property in the City largely due to the concentration of retail, service and office buildings located in Downtown Cumberland and along Greene Street. Retail and service properties account for more than half (56.6%) of the non-residential land and approximately 36% of the total non-residential building square footage (Figures 4-1, 4-2). Office properties compose the second largest portion of building space, accounting for approximately 15% of non-residential land and 24% of non-residential building square footage.

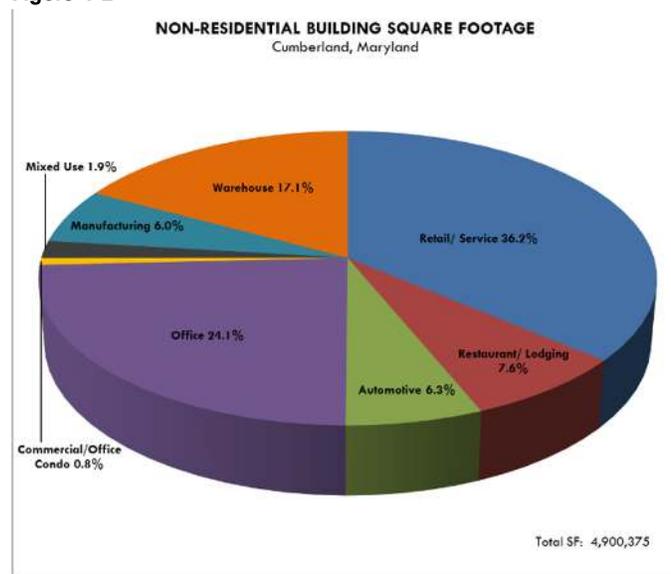
Despite the concentration of buildings designated as retail/service, the comparatively higher value for office uses translates into an equal distribution of assessed value (35%) for the two land use types (Figure 4-3). The substantial amount of retail/service property when compared to all other non-residential uses indicates that there is the greatest supply of this type on non-residential property in Cumberland; however, the lower average assessed value is likely

Figure 4-1



Source: RKG Associates, Inc., 2014

Figure 4-2



Source: RKG Associates, Inc., 2014



due to its relative age (much of the City’s retail stock is older) and property condition (deferred maintenance due to lack of market/higher vacancy). Ultimately, the market profile data indicates the City likely is over served with retail/service space.

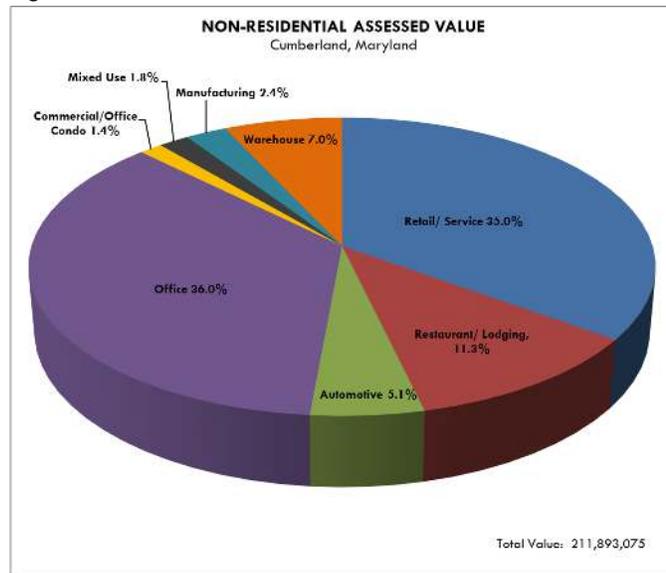
1.1 Non-Residential Vacant Land

Economic growth is often tied to adding new businesses and industries to the local economy. While some companies may be interested in occupying existing buildings, others will opt to build their own space, such as CareFirst Blue Cross Blue Shield who purchased commercial land and built a 47,000 SF office building at Commerce Center in 2011. Developers or companies interested in building on undeveloped land will be most interested in vacant non-residential land in Cumberland.

As seen in Figure 4-4, most of the non-residential land identified as vacant is classified as commercial land suitable to non-industrial buildings and uses. Of the more than 200 vacant commercial properties, approximately 90%) are less than one acre in size. Additionally, only 17 properties are between 1 – 10 acres and five properties are more than 10 acres (Table 4-1). The limited number of vacant properties greater than 1 acre indicates that most new development will be smaller in scale. Additionally, the small amount of available land indicates that future development efforts are likely to be focused on infill and redevelopment as opposed to building a new building on a green-field site.

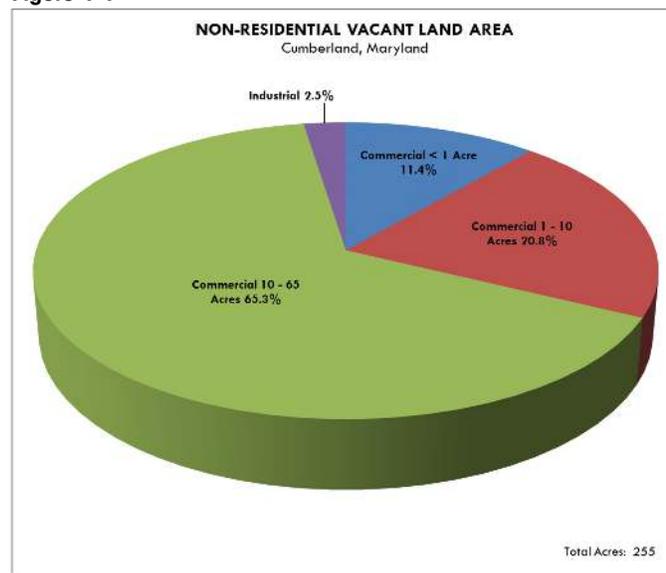
Finally, as discussed earlier in this chapter, Cumberland’s development has been largely influenced by environmental conditions. While a review of all environmental challenges such as wetlands and floodplains was not conducted for this analysis, RKG Associates did compare the existing vacant commercial and industrial land with the substantial topography. In general, most vacant properties are concentrated in mostly developed areas with less challenging topography. However, approximately 38 acres of the total 255 acres of vacant land are not adversely affected by steep slopes and rapidly changing elevations. This has, and will continue to, discourage or hinder development. This further reduces the number of properties that are candidates for green-field development and increases the necessity of adaptive reuse and redevelopment/infill-development within.

Figure 4-3



Source: RKG Associates, Inc., 2014

Figure 4-4



Source: RKG Associates, Inc., 2014



**Table 4-1
 Non-Residential Land Profile
 Cumberland, Maryland**

Land Use	Property		Avg. Land	
	Count	Acreage	Land AV	AV/Acre
Commercial Land	219	248.7	\$8,443,000	--
< 1 acre	197	29.1	\$3,033,700	\$104,152
1 - 10 acres	17	53.0	\$2,864,900	\$54,075
10 - 65 acres	5	166.6	\$2,544,400	\$15,273
Industrial Land	26	6.3	\$484,600	\$76,556
Total	245	255.0	\$8,927,600	\$35,005

Source: RKG Associates, Inc., 2014

2. Development Trends

Existing non-residential development in Cumberland reflects a pattern of development established out of necessity to accommodate the mountainous terrain and utilize the natural and manmade transportation routes. In recent years there has been limited non-residential development in Cumberland. As seen in Table 4-2, the vast majority of development in Cumberland occurred prior to 2005. Only 14 of the total 703 non-residential properties in Cumberland were built over the past ten years. The limited amount of development activity is likely due to the fact that the City is largely developed and has been for some time. The lack of market strength in Cumberland has exacerbated this challenge, as redevelopment is much more costly than green-field development. Only 5 of the 14 properties were developed after 2009, indicating that the economic downturn and 2008 Recession further slowed development activity in Cumberland.

The 14 properties developed since 2005 are scattered across Cumberland and were primarily developed along the Allegany County Trails System and well-travelled roads. The lack of geographic concentration suggests that developers prioritized available land, then proximity to potential customers and visibility when selecting a location. Almost half of the properties developed were retail/service buildings, some of which are in locations along the edge of the City near Interstate 68 to capture customers both in Cumberland and those traveling along the highway. Retail/service properties developed during the first half of the decade had average building values of approximately \$88/SF, while those built after 2009 were approximately \$192/SF largely due to the supermarket added to the Sheetz development at Naves Crossroads. In both cases retail/service buildings developed in the last decade are valued several times more than the rest of the retail/service inventory with an average of \$32/SF.

Office development accounted for the other portion of the development in the last decade. Many of these five properties were developed in association with the Western Maryland Health System's Hospital campus. On average, recently developed office buildings were valued between \$109/SF and \$136/SF likely due to the specialization required for medical office space. These more recently developed buildings are valued between two and three times that of the average office building in Cumberland with a building value of \$46/SF. This indicates that more recently building office stock is not just newer, but likely of a higher quality than the average office building in Cumberland. That said, this development is a reaction to the consolidation efforts within the Western Maryland Health System, and not of market strength in the community. Without the construction of the new hospital, there would have been almost no activity in the market.



**Table 4-2
Development Trends
Cumberland, Maryland**

Land Use	Building Count	Acreage [1]	Building SF	Avg. Bldg. SF/Bldg.	Land Assessed Value	Building Assessed Value	Total Assessed Value	Avg. Land AV/Acre	Avg. Bldg. AV/SF	FAR
PRE 2005										
Retail/Service	227	270.0	1,742,166	7,675	\$11,657,800	\$55,945,075	\$67,602,875	\$43,181	\$32.11	0.15
Restaurant/Lodging	65	33.4	314,186	4,834	\$3,969,600	\$13,263,200	\$17,232,800	\$118,744	\$42.21	0.22
Automotive	70	30.0	308,436	4,406	\$3,774,000	\$7,081,800	\$10,855,800	\$125,968	\$22.96	0.24
Office	179	66.4	999,900	5,586	\$5,982,400	\$46,111,200	\$52,093,600	\$90,042	\$46.12	0.35
Commercial/Office Condo	40	3.1	36,981	925	\$423,100	\$2,468,600	\$2,891,700	\$136,926	\$66.75	0.27
Mixed-Use	11	2.0	94,278	8,571	\$278,000	\$3,530,100	\$3,808,100	\$140,404	\$37.44	1.09
Manufacturing	16	12.4	278,406	17,400	\$820,400	\$3,398,900	\$4,219,300	\$66,055	\$12.21	0.51
Warehouse	81	49.8	830,582	10,254	\$2,869,400	\$11,660,700	\$14,530,100	\$57,630	\$14.04	0.38
2005 TO 2009										
Retail/Service	2	3.4	19,075	9,538	\$1,637,200	\$1,675,300	\$3,312,500	\$477,318	\$87.83	0.13
Restaurant/Lodging	1	3.3	56,963	56,963	\$628,800	\$6,038,900	\$6,667,700	\$193,477	\$106.01	0.40
Automotive	0	0.0	0	0	\$0	\$0	\$0	\$0	\$0.00	0.00
Office	4	1.7	135,616	33,904	\$281,700	\$18,471,500	\$18,753,200	\$168,683	\$136.20	1.86
Commercial/Office Condo	0	0.0	0	0	\$0	\$0	\$0	\$0	\$0.00	0.00
Mixed-Use	0	0.0	0	0	\$0	\$0	\$0	\$0	\$0.00	0.00
Manufacturing	1	2.5	15,990	15,990	\$98,400	\$821,100	\$919,500	\$40,000	\$51.35	0.15
Warehouse	1	1.5	7,200	7,200	\$63,600	\$198,200	\$261,800	\$42,973	\$27.53	0.11
2010 TO 2014										
Retail/Service	4	3.2	13,811	3,453	\$665,200	\$2,640,300	\$3,305,500	\$209,842	\$191.17	0.10
Restaurant/Lodging	0	0.0	0	0	\$0	\$0	\$0	\$0	\$0.00	0.00
Automotive	0	0.0	0	0	\$0	\$0	\$0	\$0	\$0.00	0.00
Office	1	6.6	46,785	46,785	\$339,000	\$5,099,600	\$5,438,600	\$51,364	\$109.00	0.16
Commercial/Office Condo	0	0.0	0	0	\$0	\$0	\$0	\$0	\$0.00	0.00
Mixed-Use	0	0.0	0	0	\$0	\$0	\$0	\$0	\$0.00	0.00
Manufacturing	0	0.0	0	0	\$0	\$0	\$0	\$0	\$0.00	0.00
Warehouse	0	0.0	0	0	\$0	\$0	\$0	\$0	\$0.00	0.00
TOTAL INVENTORY										
Retail/Service	233	276.6	1,775,052	7,618	\$13,960,200	\$60,260,675	\$74,220,875	\$50,475	\$33.95	0.15
Restaurant/Lodging	66	36.7	371,149	5,623	\$4,598,400	\$19,302,100	\$23,900,500	\$125,365	\$52.01	0.23
Automotive	70	30.0	308,436	4,406	\$3,774,000	\$7,081,800	\$10,855,800	\$125,968	\$22.96	0.24
Office	184	74.7	1,182,301	6,426	\$6,603,100	\$69,682,300	\$76,285,400	\$88,383	\$58.94	0.36
Commercial/Office Condo	40	3.1	36,981	925	\$423,100	\$2,468,600	\$2,891,700	\$136,926	\$66.75	0.27
Mixed-Use	11	2.0	94,278	8,571	\$278,000	\$3,530,100	\$3,808,100	\$140,404	\$37.44	1.09
Manufacturing	17	14.9	294,396	17,317	\$918,800	\$4,220,000	\$5,138,800	\$61,747	\$14.33	0.45
Warehouse	82	51.3	837,782	10,217	\$2,933,000	\$11,858,900	\$14,791,900	\$57,207	\$14.16	0.38
TOTAL	703	489.1	4,900,375	--	\$33,488,600	\$178,404,475	\$211,893,075	--	--	--

Source: RKG Associates, Inc., 2014

[1] Acreage does not include large adjacent parking lots if classified as separate property records.



A few of the notable properties developed over the last decade include the Western Maryland Health System's Hospital campus in 2009, the Fairfield Inn & Suites (2009) and the CareFirst Blue Cross Blue Shield office building in 2011. Each of these projects, all occurring in the latter half of the decade, represent recent, substantial economic investments in Cumberland. As discussed earlier in Chapter 3, the addition of two large health care businesses and one large hotel/accommodation facility has bolstered the healthcare/social assistance and accommodation/food service industries and lead to substantial job growth in these sectors within the local economy. In addition to creating jobs, these large facilities add to the tax base of Cumberland. This indicates that, from an economic development perspective, quantity is less important than quality for development projects that facilitate job creation in emerging, stable industries.

The limited development over the last decade reflects market conditions that are challenging, particularly for a small investor. Many of the large projects developed in recent years like those noted above, have been institutional or corporate entities that are better equipped to accommodate the risk associated with a large project and are in industries that reach a wider, regional customer base. Current market conditions reflect a saturation of available space, particularly for Downtown retail/service uses. This oversupply of existing buildings indicates reduced demand. When combined with the expense and challenges associated with infill and redevelopment projects, the ultimate result is in fewer feasible opportunities for smaller developers and investors in the current Cumberland market.

2.1 Proposed/Planned Development

Although development activity has been limited in Cumberland over the last decade, particularly with the decline of market conditions associated with the 2008 Recession, there are several projects in various stages of planning and development. The following is a list of current projects as provided by City staff.

Proposed

- Willowbrook Corridor Hotel: New hotel facility proposed at the intersection of Willbrook Road and Interstate 68 with convenient highway access into Downtown Cumberland and Rocky Gap Casino & Resort. This location is one of two identified within a Hotel Feasibility Study conducted by Interim Hospitality Associates for the Allegany County Commissioners and County Administrator to assess potential sites for a proposed nationally-recognized hotel in Cumberland, Maryland.
- Rolling Mill Commercial Corridor Development: Proposed development of two big-box retailers on the 15 acres of undeveloped land to the South of Martin's Food Market on Park Street. This project has stalled since the Recession.
- Retail/Service Development: Small number of fast food, personal service and retail stores proposed in multiple locations. Substantial additional lot assemblage and potential demolition of existing buildings for in-fill development will be necessary for project completion. Almost all are located within proximity to an interchange on I-68.

Planned/In Development

- Love's General Store: Love's recently acquired a 64 acre site near the intersection of Baltimore Pike and Interstate 68. Excavation and initial development phases for the convenience/market retail store are underway.
- Footer's Dye Works Redevelopment Project: The historic, four story industrial building at the corner of South Mechanic and Howard streets was recently approved for a mixed-use redevelopment/rehabilitation project by Joy Development and Wishneff & Associates. Plans for the building include converting the top three floors into 24 rental apartments and the ground floor into approximately 8,000 SF of multi-tenant retail space.



It is noteworthy that there are two substantial projects in the earlier phases of development and several projects with potential in already established areas of opportunity by the City. However, the limited amount of development overall indicates that market challenges still exist in Cumberland and these projects are unable to move forward within the existing climate.

3. Sales Analysis

3.1 Non-Residential Property

The small amount of development activity in Cumberland indicates that demand for non-residential properties beyond those that already exist is limited. To further understand the current market for non-residential properties, RKG Associates used sales data within the tax assessment records to analyze commercial property sales between 2011 and 2014. Due to limitations of the data, only a portion of 2014 sales were included in this analysis. Additionally, only sales identified by the Maryland State Department of Assessments and Taxation as arms-length were analyzed. Arms-length sales are transactions between two parties where the buyer seeks to minimize the price and the seller seeks to capture maximum value of the property. These sales were isolated to better represent current market conditions. Table 4-3 at the end of this section details non-residential property sales during this time period.

The analysis of recent non-residential property sales in Cumberland shows that minimal sales activity has occurred. Between 9 and 13 properties were sold each year, reflecting annual activity levels between 1.2% and 1.8% of the non-residential inventory. The average market realizes between 3% and 4% each year. The lack of market activity highlighted in the data is further supported by anecdotal feedback from local brokers who observed that little non-residential activity in Cumberland has occurred since the 2008 Recession.

According to local real estate professionals, the ramp up in activity prior to the Recession has adversely impacted Cumberland more than other communities. The pre-Recession market was very strong in Cumberland, with a substantial amount of real estate speculation by outside investors. It was reported these purchases were made based on the relative affordability of Cumberland real estate (compared to more urban areas such as Washington DC) and not the local market fundamentals. As a result, prices rose above existing market values to levels that could not be sustained by prevailing rent rates. Many of the outside investors have minimal leverage on their buildings, enabling them to hold the properties until market prices return (regardless of how long that may be). While local professionals have indicated there are some buildings prices consistent with the prevailing income potential, the outside investors have stopped looking in the City and local buyers are focused on 'bargain' properties.

It is difficult to make general conclusions about larger real estate trends with such little activity. However, among those sales that have occurred there are a few consistencies that provide some perspective on the current market. Most of the 38 recent non-residential sales are of retail/service (12), office (13) or automotive (10) property. The larger number of retail/service and office sales is consistent with the higher concentrations of these properties within the entire non-residential inventory. Recent sales of these properties represent 5.1% of the retail/service inventory and 7.1% of the office inventory. In both cases this is a higher turnover rate than that of all non-residential properties and indicates that these properties are sold more frequently than non-residential properties in general (which includes industrial and hospitality properties).



Table 4-3
Recent Non-Residential Sales, 2011 - 2014
Cumberland, Maryland

Land Use	Count	Acres				Building SF				Assessed Value				Sales Value		
		Acres	[1]	Building SF	Avg. SF	Avg. Acres	Building SF	Avg. SF	Land	Building	Total	Avg. Value	Ave. Bldg. Value/SF	Total	Average	SV/AV
Retail/Service	12	3.55	89,674	7,473	0.30	\$505,000	\$4,206,000	\$4,711,000	\$392,583	\$46,90	\$4,873,289	\$406,107	1.03			
Restaurant/Lodging	1	1.74	74,345	74,345	1.74	\$529,200	\$2,099,500	\$2,628,700	\$2,628,700	\$28.24	\$2,825,000	\$2,825,000	1.07			
Automotive	10	3.21	20,038	2,004	0.32	\$634,900	\$903,300	\$1,538,200	\$153,820	\$45.08	\$1,592,851	\$159,285	1.04			
Office	13	3.83	156,757	12,058	0.29	\$344,500	\$18,598,800	\$18,943,300	\$1,457,177	\$118.65	\$23,481,126	\$1,806,240	1.24			
Office & Commercial Condo	0	0	0	0	0.00	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	0.00			
Mixed Use	0	0	0	0	0.00	\$0	\$0	\$0	\$0	\$0.00	\$0	\$0	0.00			
Manufacturing	1	0.54	26,920	26,920	0.54	\$58,800	\$64,500	\$123,300	\$123,300	\$2.40	\$120,000	\$120,000	0.97			
Warehouse	1	0.49	3,016	3,016	0.49	\$81,100	\$44,900	\$126,000	\$126,000	\$14.89	\$137,000	\$137,000	1.09			
Total	38	13.36	370,750	--	--	\$2,153,500	\$25,917,000	\$28,070,500	--	--	\$33,029,266	--	--			

Source: RKG Associates, Inc., 2014

[1] Acres includes only the land associated with the portion of the property that contains the building use identified.



Recently sold retail/service properties include retail stores, hair salons and barber shops, convenience stores, banks and social clubs. These properties sold for an average of \$406,107, approximately 100% of average assessed value (meaning market value and assessed value are in sync). However, a further examination of these properties revealed that there is greater variation in the sales price when compared to assessed value. For example, two convenience store properties sold at more than twice their value as part of a larger sale. Their substantially higher sales price likely reflect either the fact that they are well-located intersection or, that as a part of a larger sale, the assemblage of these properties is worth more than their individual values. When this is the case, it typically indicates potential for redevelopment opportunities.

Conversely, a social club in Downtown Cumberland was purchased for substantially below the value of the property. Further investigation and discussions with City staff revealed that this sale was part of a set of repossessed properties that finally sold to the current owner after an extended period of time. Anecdotal data indicate this particular building has particular adaptive reuse challenges given its existing layout and condition. The City-owned 19 Frederick Street has similar challenges that have limited market interest in the property. In both cases, these examples speak to the individuality of the market potential for certain properties and the limited capacity of the data to inform detailed trends.

The office properties sold were primarily medical or standard office space/converted office properties. Medical office sales prices were generally 13% to 22% above the assessed value of the property and range from \$42/SF for a building built in 1920 to \$178/SF for a Downtown property built in 1980. Many of the office properties were part of purchases made by the Western Maryland Health System for their Hospital campus. This indicates that buyers are willing to pay more for property that is part of a larger project. However, the purchase by the hospital system reflects the greater value industries that serve a market beyond the City's boundaries are willing to pay. Regardless of the perceptions about the City, the data indicate it remains the central hub for economic activity in this part of the State. To this point, economic development efforts should focus on businesses that serve a market beyond the City, as they appear to have the greatest potential to thrive in the City given current economic and real estate market conditions.

Only one warehouse, manufacturing and restaurants/lodging property was purchased and no sales of office/commercial condos or mixed-use properties occurred in recent years. While the lack of sales in these sectors can be explained—in part—due to their relative smaller presence in the City, it indicates that there is limited current demand for these properties. With regard to the warehouse, manufacturing and lodging properties, all properties were sold for approximately 100% of assessed value. The lack of sales activity for warehouse and manufacturing properties is noteworthy as an indication of a lack of market demand for these property types. The limited activity within the restaurant/lodging category is noteworthy because it suggests that while there is interest in expanding the presence of accommodation and food service establishments in Cumberland, particularly in and around Downtown, there may be limited demand for existing buildings. As noted earlier in this Chapter, the planned hotel site at the intersection of Willowbrook Road and Interstate 68 is anticipated to be a new development, not the rehabilitation of a current property, as was the case for the Downtown Holiday Inn.

3.2 Non-Residential Land

Similar to non-residential property, there has been little sales activity for non-residential land in Cumberland since 2011. It is noteworthy that recent land sales only occurred for land classified as



commercial. While industrial land was identified within the existing non-residential property inventory, no industrial land was sold recently. This indicates that industrial development has not been in high demand by the private sector. However, very little effort has been placed in proactively attracting industrial users to the City. This is also consistent with the lack of number and size of Cumberland land assets designated for industrial development. Simply put, there are very few properties with sufficient size and appropriate zoning to entice industrial users. This is particularly true when no marketing efforts are underway to inform the industrial employment sectors about opportunities in the City or County.

Since 2011, there have been 14 commercial land transactions, most of which occurred during 2013 (Table 4-4). Half of the transactions in 2013 were purchases may by Western Maryland Health Systems in relation to their hospital and medical campus on Willowbrook Road. In addition to these transactions, another noteworthy sale was of a 64 acre property in 2012 for the Love’s General Store development at Baltimore Pike and Interstate 68. Without this transaction, less than 9 acres were sold since 2011 with an average of 0.7 acres per sale. The average sales price for commercial land without the Love’s property was approximately \$39,000 per sale (approximately \$55,700 per acre). This is consistent with the limits on available non-residential land and the prevalence of vacant land less than one acre. Sales records also indicate that most of these properties were sold with other property, developed or undeveloped, similar to the Western Maryland Health System’s transaction. This indicates that many of the recent land transactions were either part of larger property assemblages or a group of unrelated property investments.

**Table 4-4
 Commercial Land Sales, 2011 - 2013
 Cumberland, Maryland**

Year	Count	Acres		Appraised Value			Sales Value		
				Total	Avg.	Avg.	Total	Average	SV/AV
					Value	Value/Acre			
2011	2	0.12	0.06	\$30,900	\$15,450	\$257,500	\$98,431	\$49,216	3.19
2012	2	64.59	--	\$942,100	\$471,050	\$14,586	\$1,631,517	\$815,759	1.73
2013	10	8.06	0.81	\$404,600	\$40,460	\$50,199	\$444,137	\$44,414	1.10
TOTAL	14	72.77	5.20	\$1,377,600	\$98,400	\$18,931	\$2,174,085	\$155,292	1.58

Source: RKG Associates, Inc., 2014

E. ASSET ANALYSIS

Recent sales data indicate how many properties have been recently sold but does not provide information on properties currently for sale or lease. The following is an analysis of Cumberland non-residential assets based on data provided by the inventory of non-residential assets maintained by the City of Cumberland. With regard to the analysis itself, while all properties were mapped to better understand areas of concentration within Cumberland, the analysis of lease rates and sales prices only included those listings for which this data was available. For this portion of the analysis, those assets listed as for lease and for sale, were included in both categories. Maps 4-1 to 4-4 at the end of this section provide an illustration of the concentration of properties for lease and for sale in Cumberland.

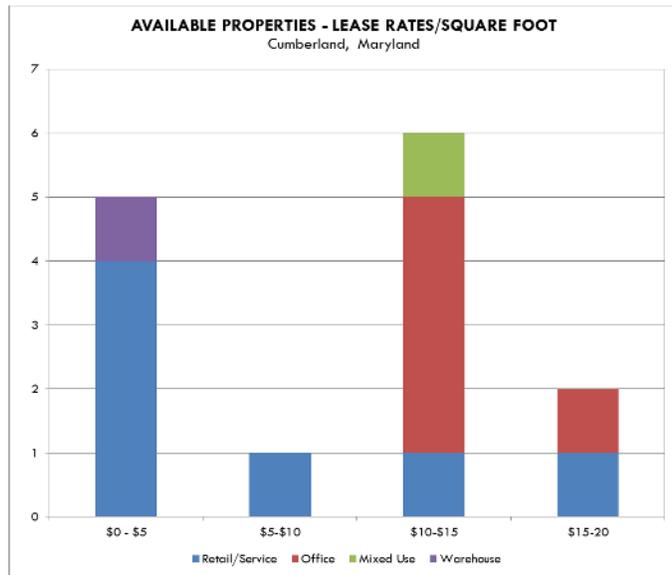
1. For Lease



Non-residential assets for lease in Cumberland include small portions of a larger building as well as entire buildings. The majority of the more than 70 spaces for lease are available for retail/service uses. Additionally, there are a small number of industrial, mixed-use, office and warehouse spaces available. As seen in Maps 4-1 and 4-2, most non-residential assets, regardless of use classification, are concentrated in the City’s historic commercial centers. The largest concentration is in Downtown along Baltimore Street, Centre Street and Liberty Street. There is a second concentration of assets for lease along Virginia Avenue just north of the railroad line.

Non-residential assets are available at a variety of lease rates from less than \$4/SF to more than \$15/SF. Retail/service space generally has the lowest rents with space renting for less than \$6/SF. Similar to trends seen in property values discussed earlier in this Chapter, office space has generally higher lease rates than retail/service space, \$10/SF to \$20/SF, just as the average assessed value for office space is substantially higher. Only one property with data on lease rates was available for mixed use and warehouse space. The lease rate for warehouse space was comparable to most of the retail/service space, while mixed-use space had a lease rate between \$10/SF and \$15/SF similar to most office space. However, given that there are only two properties, these rates may not represent what is supportable in the market (Figure 4-5).

Figure 4-5



Source: RKG Associates, Inc., 2014

The current assets for lease in Cumberland indicate that much of the existing supply of rentable space is retail/service oriented and there are a substantial number of these assets currently available to tenants. This finding is consistent with both market and anecdotal data, which indicate the demand for retail/service space has diminished over the years. Simply put, the decline in Cumberland population, the relative stagnation of local incomes, and the growth of competitive venues (i.e. La Vale) have adversely impacted retail/service in the City. Another factor is the age and condition of much of this space, which makes it less competitive with the newer strip centers elsewhere in the County. Finally, many of these spaces, particularly in Downtown, do not have good access of visibility from the Interstate.

2. For Sale

Non-residential for sale properties in Cumberland include industrial, mixed-use, office, retail/service and warehouse buildings and non-residential sites, or undeveloped land. Similar to available rental space, the majority of the 103 properties currently for sale in Cumberland are retail/service assets. As seen in Maps 4-3 and 4-4, for sale properties are generally concentrated in Downtown and along Virginia Avenue. Specifically within Downtown, available properties are primarily concentrated along Baltimore Street and Centre Street with a few additional properties extending along Baltimore Avenue to the North and Greene Street to the Southwest. That said, non-residential sites for sale are scattered throughout the Cumberland but tend to be located either in proximity to major roads or the City boundaries (which given them access to the regional market).



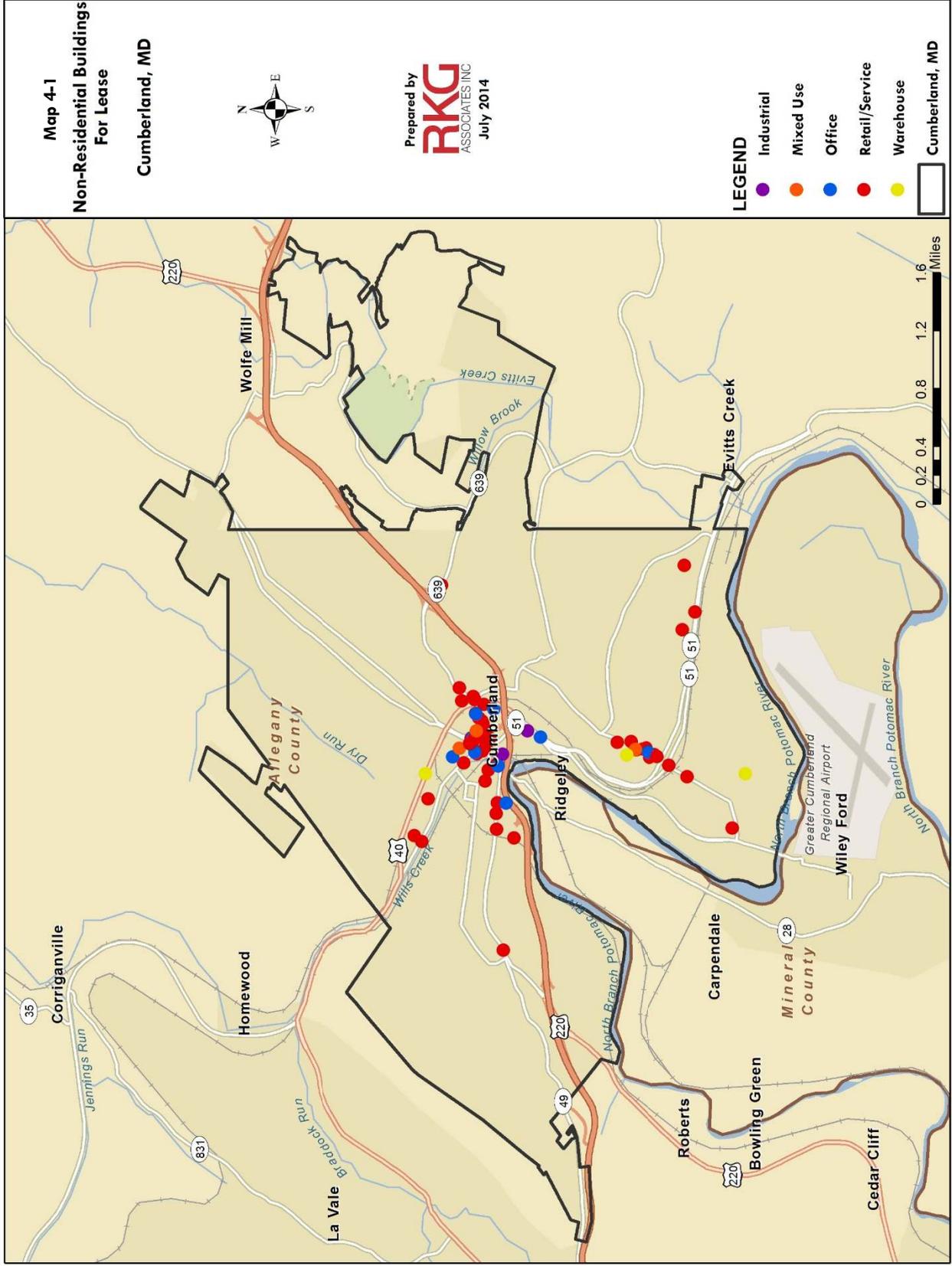
Based on properties with sales price information, most properties fall between less than \$25/SF and \$100/SF. Retail/service most often fall within the \$25/SF and \$50/SF and to a lesser extent below \$25/SF. Office properties tend to concentrate at price points slightly higher, between \$25/SF and \$75/SF. Based upon recent sales data the type of office space may impact the asking price of a property. Of these two most common property types, retail/service had a generally lower price per square foot (Figure 4-6).

The analysis of for sale non-residential property indicates that not only are there well-located, affordably priced non-residential property available, but that there is a substantial amount of currently available properties. Approximately 15% of the existing non-residential inventory in Cumberland is currently listed for sale, most of which are retail/service properties. Such a large quantity of properties currently for sale indicates that there is an oversupply of existing properties to meet the needs of existing buyers/tenants. Particularly in the case of retail/service properties, this conclusion is consistent with broker feedback and is further supported by their observation that current market conditions are not strong for additional retail activity in the City.

Figure 4-6



Source: RKG Associates, Inc., 2014



Map 4-1
Non-Residential Buildings
For Lease
Cumberland, MD



Prepared by
RKG
ASSOCIATES INC
July 2014

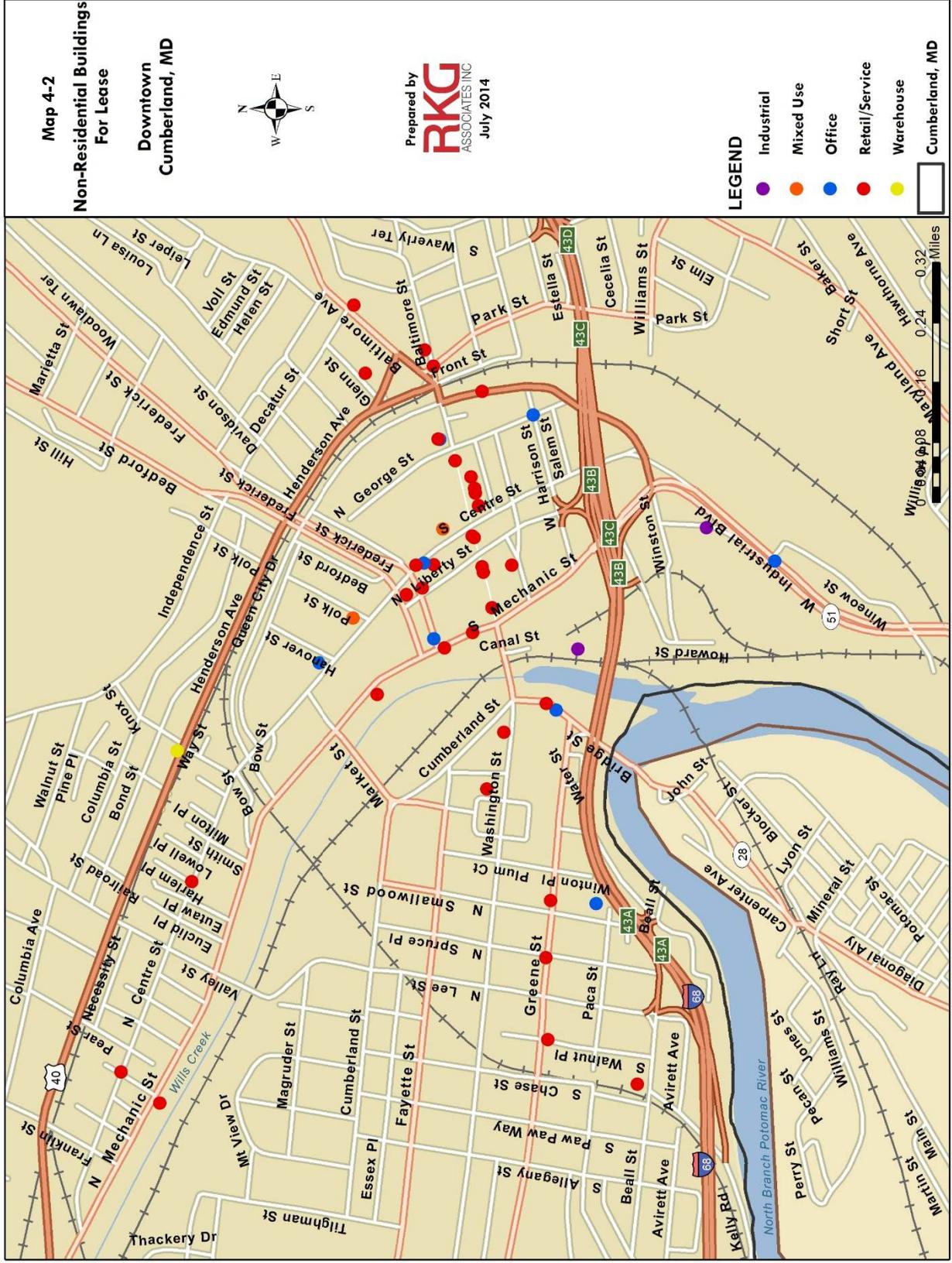
LEGEND

- Industrial
- Mixed Use
- Office
- Retail/Service
- Warehouse
- Cumberland, MD



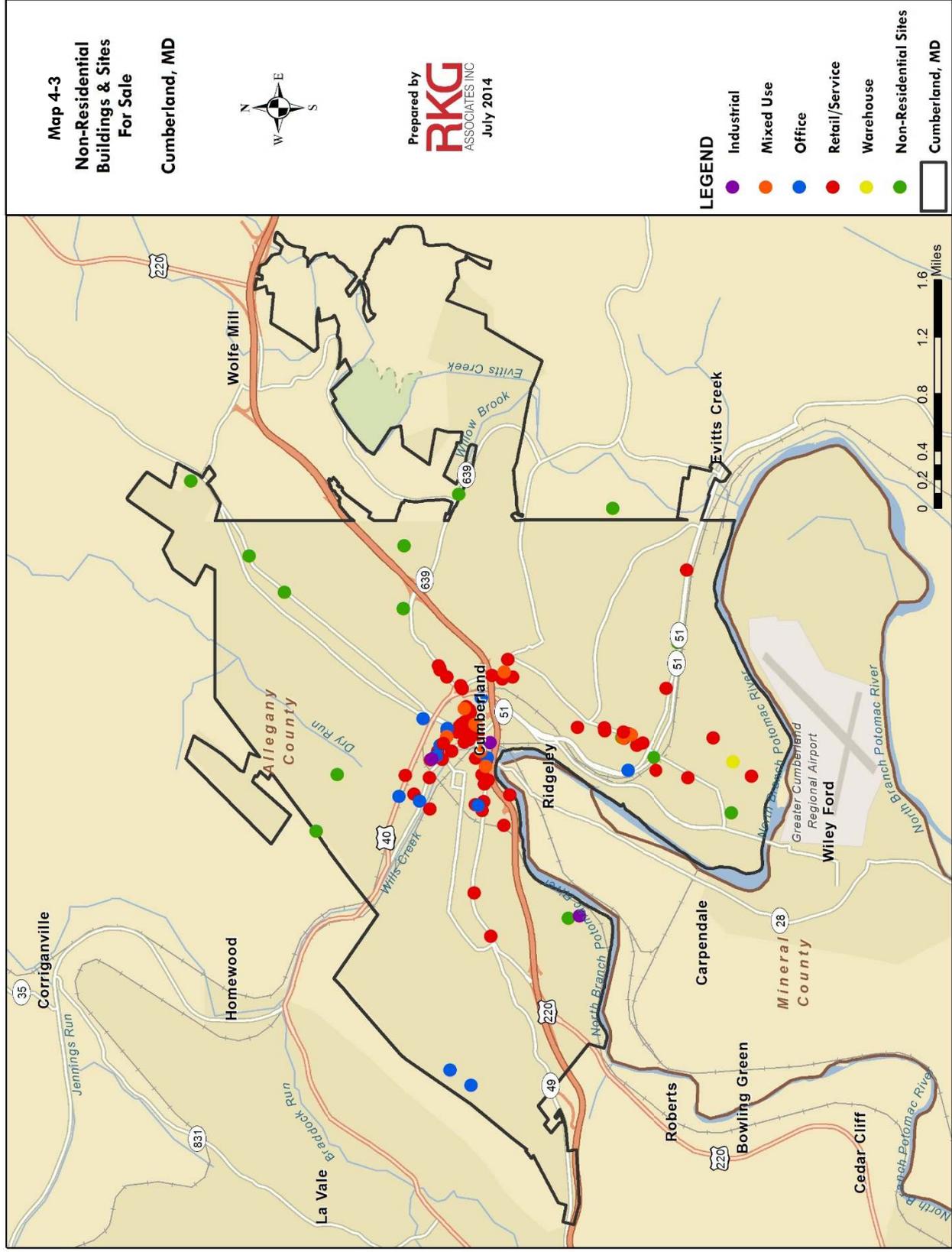
Source: City of Cumberland, Esri, RKG Associates, Inc., 2014





Source: City of Cumberland, Esri, RKG Associates, Inc., 2014





Map 4-3
Non-Residential
Buildings & Sites
For Sale
Cumberland, MD



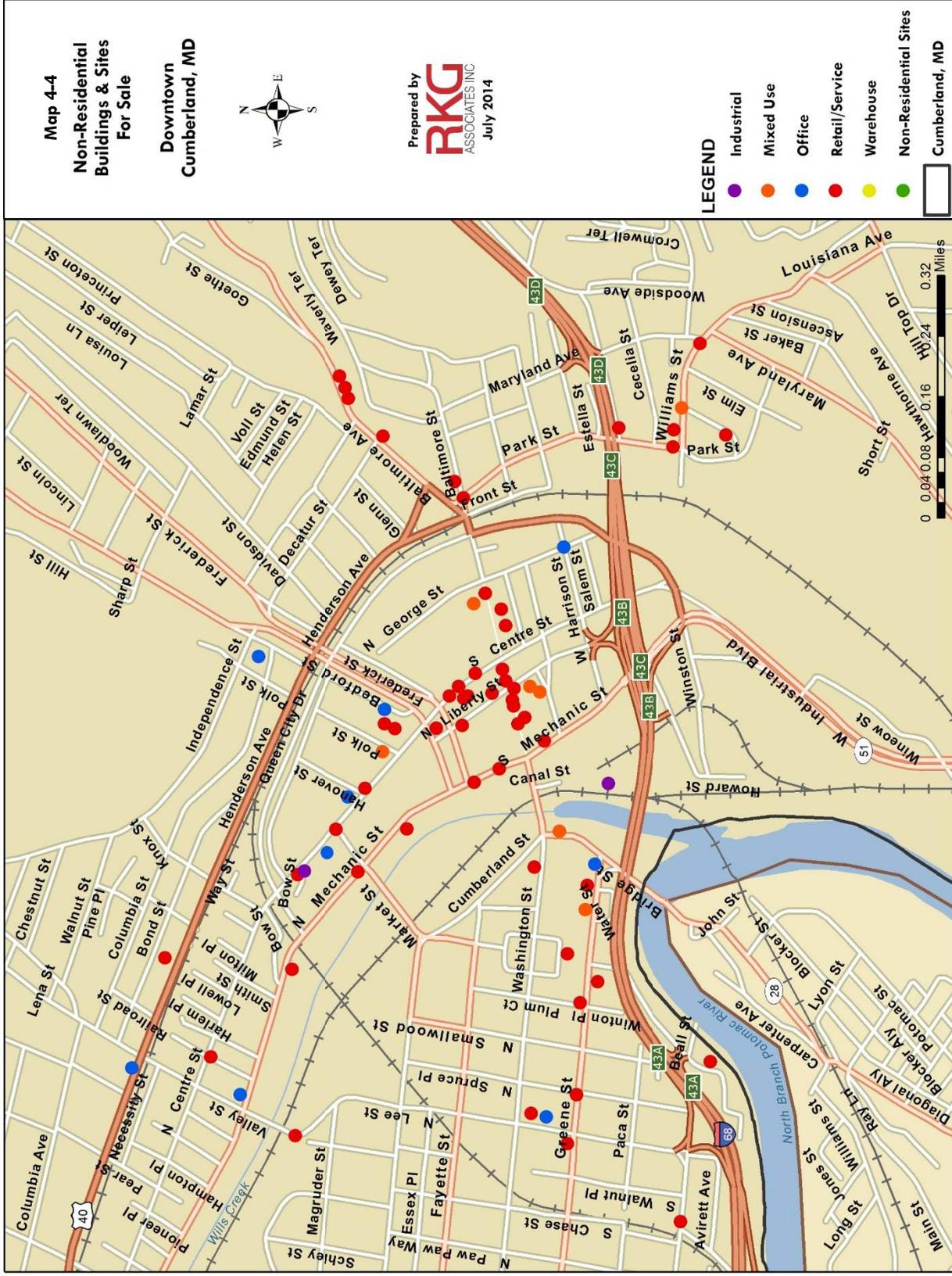
Prepared by
RKG
ASSOCIATES INC
July 2014

LEGEND

- Industrial
- Mixed Use
- Office
- Retail/Service
- Warehouse
- Non-Residential Sites
- Cumberland, MD

Source: City of Cumberland, Esri, RKG Associates, Inc., 2014





Source: City of Cumberland, Esri, RKG Associates, Inc., 2014





F. KEY STAKEHOLDER FEEDBACK

Feedback from local real estate professionals is critical to the analysis process. Not only does it allow the consultant to hear from local experts that have a thorough knowledge of the community, but it is also an opportunity to clarify and confirm findings and conclusions drawn from analysis. RKG Associates spoke with a number of local real estate developers, investors, and brokers to better understand the nuance of the Cumberland market. These interviewees were offered confidentiality to ensure responses were candid and thorough. The following themes were the most common among the respondents that are relevant to the City's economic development effort.

Reduced/Flat Non-Residential Market Activity since the 2008 Recession

Brokers discussed that since the Recession, little activity has occurred in the Cumberland market. Few properties have been bought or sold. This represents a decline from pre-Recession activity when brokers observed a much greater amount of non-residential investment from a variety of sources including small businesses to investors with equity generated from much higher value properties located in the Washington Metropolitan Area. The majority of respondents noted that the external investor activity was unsustainable due to the economic downturn, as prices did not reflect market potential, but rather speculative interest to purchase and flip the property. When values stagnated and declined, outside investors had no incentive to continue to buy in Cumberland.

No Dominant Market Sector in the City

What little activity has occurred in Cumberland has not represented a strong demand or level of activity for one single type of non-residential development. Investments since 2008 have been done by end users seeking to take advantage of a particular market opportunity. There is little or no interest from investors seeking to meet a market need, as leasing activity is very low. As a result, sales have been varied and a pattern has not readily emerged.

Oversupply of Retail Space

Brokers noted that there is an oversupply of retail properties. It is generally accepted that the retail focus within Allegany County has shifted over the past few decades from Cumberland to La Vale. This process became more pronounced since the 2008 Recession, as many of the small and moderate retail businesses closed/relocated from Downtown Cumberland. It was noted that the excess supply has hindered the local leasing market, as property owners are competing for the same tenant business. This has reduced transactional rent levels and made landlords more aggressive in accepting less financially soluble tenants. The decline in potential revenue and increase in lease failure has led to further market issues such as depressed values and deferred maintenance, perpetuating the lack of competitiveness of retail venues in the City.

Regional/National Chains Are Investing

While market activity has substantially reduced in Cumberland since 2008, those properties that have been purchased in recent years are primarily bought by large companies with the financial resources to absorb the risks associated with development. However, the investment patterns of these businesses indicate these businesses are serving a customer base much greater than just the City of Cumberland. As noted earlier in this analysis, the new hospital development accounts for the majority of activity since 2009. That said, the real estate professionals agreed with the sentiment that there is potential greater market activity of the City takes a proactive role in marketing the City and recruiting businesses to come to Cumberland. Having an economic development presence at the more popular local tourism venues was noted as an opportunity. This recommendation ranged from more passive efforts (i.e. having professional marketing materials) to direct marketing and recruitment (i.e. having a professional staff member on-site to answer questions).



Visitors Are Asking About Non-Residential Properties

One positive finding from RKG’s outreach to the real estate community was a recognition that there has been a recent increase in interest in non-residential property in the Downtown and along the GAP Trail. This demand is coming from tourists taking advantage of local asset such as Canal Place and the Trail. Based on feedback, these persons tend to be residents of nearby metropolitan areas interested in Cumberland as an affordable alternative to their current cost structure. The interest is concentrated with persons that work remotely or own a small business, and have the flexibility to relocate with their jobs. However, this interest has not lead to any proactive steps to purchase, thus far.

Tourist Demand May Improve Cumberland Outlook to Investors

Recent non-residential sales and development projects involve investors that base decisions of market criteria. Local real estate professionals noted that tourist demand, not often included in site selection analyses of traditional retailers and service providers, might make a case for certain companies to consider locating stores in Cumberland. However, the local Brokers indicated they do not have the means to measure this demand in a manner that can make a “business case” for potential investors. Having better analytics that can be related to potential consumer demand was desired from many respondents. In addition, some respondents indicated the opportunity for greater marketing coordination in the tourism market (similar to the opportunity for greater marketing in economic development).

G. OPPORTUNITY SITES

During this economic development strategic planning process, the Steering Committee and RKG Associates discovered that the City historically did not have any defined vision for what type of non-residential markets to recruit and how to accommodate new prospects once they were interested. Given the development patterns in the City and the lack of large, undeveloped land assets, it became apparent that defining a reinvestment/development vision for strategic non-residential areas in the City was necessary to support the City’s economic development effort. Simply put, having a plan to attract businesses with no consideration on how those businesses will be accommodated would be inefficient and potentially counterproductive for future efforts. For example, attracting heavy industrial uses to operate near the City’s more successful outdoor tourism venues could adversely impact the success of those venues (i.e. noxious smells or unsightly facilities).

Based on these points, the Steering Committee, with feedback from the local community, identified seven opportunity sites throughout Cumberland to focus potential economic development efforts. Just as Cumberland has many ways forward in the process of expanding economic development efforts within the City, the opportunity sites (identified in Map 4-5) are envisioned to accommodate unique opportunities and development scale. These concepts were intended to address four specific concerns:

- To take advantage of the natural economic development strengths of the area;
- To be consistent with surrounding development patterns and scale;
- To reduce duplication in the City, thereby reducing unnecessary internal competition; and
- To encourage diversity in the City and expand potential target markets.

The following narrative details the scope and vision of the Steering Committee for each of the seven opportunity site, including a description of the site, a discussion of assets and challenges and recommendations for the focus of the possible program of development and activities included for each site. Maps providing a more detailed illustration of each of these areas and existing land uses



can be found at the end of this section in Maps 4-6 to 4-12. However, the Steering Committee and RKG Associates agree that further analysis should be done on each opportunity site to further refine the vision and provide more specificity on specific catalyst projects/reinvestment needs.

1. Downtown

Site Description

In recent years, Downtown Cumberland has garnered a notable amount of attention from both the community and the City. The focal point of Downtown is a pedestrian-only portion of Baltimore Street which coincides with the area recognized as an historic district. Surrounding this main thoroughfare are primarily retail and office buildings. There are currently 55 properties for lease or sale Downtown.

For this analysis, the Downtown Opportunity Site (Downtown) is defined as the area bounded by Queen City Drive to the North and East, Interstate 68 to the South and Wills Creek and the railroad to the West. Rose's Shopping Center located along Queen City between Baltimore Street and Frederick Street is part of this Opportunity Site; however, given its location and economic development potential is considered an Opportunity Site itself and will be discussed more in-depth later in this section.

Assets

Downtown is the major focal point of Cumberland. It is not only the City's major employment center but it also acts as its civic center, housing most of the governmental buildings. This opportunity site boasts access to a large number of cultural and recreational amenities, including the Allegany Museum, the pedestrian-only retail corridor and close proximity to Canal Place and the terminus of the GAP Trail. Additionally, Culinaire Café, Allegany College of Maryland's hospitality and culinary training center, is located on Baltimore Street and bridges education and food service sectors while facilitating both student learning and public patronage. Additional assets include:

- Downtown Development Corporation
- Proximity to transportation (I-68, Amtrak)
- Large inventory of historic buildings
- Character and charm of the area
- Walkability
- Evolving dining cluster

Challenges

The Downtown opportunity site has a number of challenges, in addition to assets. Physically, Downtown is largely developed, limiting revitalization efforts to infill and redevelopment which may be further encumbered by historic preservation property restrictions. It was noted that the City's development process can be rigid and challenging to navigate in certain instances. In addition, the market for retail is not strong and there is a surplus of available properties Downtown. The internal road network is also challenging to navigate, particularly for visitors. While signs may help, additional steps may need to be taken to make traveling Downtown by car more intuitive. Additional challenges include:

- Available parking is not well-identified
- Over-speculation prior to Recession has upset value/price equilibrium
- No universally supported revitalization implementation plan for Downtown

Program Focus



The primary focus of the Downtown opportunity site is as a cultural and entertainment center, a focus originally outlined within the 2013 City-Wide Comprehensive Plan. Existing access to recreational and cultural amenities is a foundation. However, a greater number entertainment options and associated services and hospitality need to be encouraged into Downtown to generate the critical mass necessary to grow and sustain this activity. In addition to considering alternate uses for available retail space to support this focus, further analysis into the specific type of retail that could supportable in Downtown needs to occur. This will allow the City to target specific retailers to the opportunity site that match the focus for Downtown while meeting available niches. One intermediary step might be to move relocate the business incubator space, currently being investigated for 19 Frederick Street, to greater prominence in a retail space along Baltimore Street.

2. Canal Place & South Interstate 68

Site Description

The Canal Place and South Interstate 68 opportunity site is bounded by Baltimore Street to the North, South Mechanic Street to the East, Industrial Boulevard to the South and the Potomac River/Wills Creek to the West. This area has a variety of non-residential uses, including the new Fairfield Inn & Suites, Canal Place, the terminus of the GAP Trail, the Cumberland Times-News building, and the recently purchased Footer's Dye Works facility. Most of the surrounding property are similarly non-residential including manufacturing and warehouse space, office buildings and retail/service properties. From a market perspective, there are only two properties currently listed for sale or lease.

Assets

This opportunity site has a number of assets. The northern portion of the site near Canal Place includes a large amount of vacant land and was a primary focus of the Downtown portion of the 2014 Downtown Design and Development Plan. The site is also a short walk from Baltimore Street and Downtown shops and amenities. It is close to major transportation thoroughfares including Interstate 68 and East and West Industrial Boulevard. In addition, it the primary focus of the 2014 Canal Place Heritage Area Management Plan which outlines recommendations that further define the focus and goals for the site from a Heritage Area perspective.

Challenges

Although listed as an asset above, the plans outlined within the 2014 Downtown Plan, particularly for the Times-News building are currently on hold. In addition, those efforts outline in the Downtown Plan primarily address existing near-term needs and do not outline a larger vision for the area. The Heritage Management Plan is more vision-oriented, but understandably, priorities and recommendations are based on Heritage Area objectives and not necessarily those of economic development. The lack of a cohesive vision for this are may be due to the wide variety of existing uses that do not readily lend themselves to a single focus. Additional challenges include:

- Existing infrastructure and development separates the site from Downtown
- Number of state/federal entities that regulate portions of the opportunity area
- Some existing uses that are not consistent with the vision
- Interstate 68 overpass bisects the site

Program Focus

The proposed primary focus for this site is outdoor recreation and leisure. This focus is complementary to the largely cultural recommendations outlined in the Heritage Management Plan and the existing outdoor recreation uses associated with the terminus of the GAP Trail. A potential economic development program for this area could include maximizing the existing vacant land for focus-driven uses. One example is a ropes course that would not only attract visitors from the GAP



Trail and Canal Place, but might also generate customers from Interstate 68 as passengers would likely be able to see the top portion of the course from the highway.



3. Memorial Hospital

Site Description

As the name suggests, the Memorial Hospital opportunity site is the Hospital's original location before it consolidated operations into the Western Maryland Health System's facility on Willowbrook Road. The boundary of the opportunity site is Warwick Avenue to the North, Ridgewood Avenue to the East, a block North of Brookfield and Kent Avenues to the South and Memorial Avenue to the West. While the site itself is classified as office, it is surrounded by residential development. All of the former hospital buildings have been demolished leaving no buildings available for lease or sale.

Assets

One of the greatest assets of this site, given that the hospital buildings were recently demolished, is that it is ready for immediate development. In addition, due to the fact that the City owns the property, there are no issues related to property assemblage. Unlike most of the other opportunity sites, the Memorial Hospital site is located in a largely residential area. This creates the opportunity to explore an economically beneficial development program that is different from those in a highly non-residential area. Additional assets of this site include:

- Attractive topography and a location with views
- Existing medical cluster adjacent to site
- Close proximity to Fort Hill High School

Challenges

The location of this site is generally an asset, but it is also a challenge. Primarily, it is not along a major transportation route. Additionally, major employment centers, including Downtown, Allegany College of Maryland and the new hospital facility are not within walking distance and require a short drive by car. Finally, the largely residential nature of the surrounding properties does limit the number of potential development programs.

Program Focus

Given its location, the proposed primary focus for the Memorial Hospital opportunity site is a retirement village and/or medical services center. The socioeconomic analysis indicates that there is insufficient housing variety available to persons seeking to retire to Cumberland or age in place within the community. A residential retirement village development on this site would fit well into the existing, surrounding land uses while meeting a market need/opportunity. In addition, a small number of medical office facilities remain in the blocks surrounding the site after the demolition of the main hospital. By adding additional medical services to the development program, existing uses would be strengthened by increased activity. It is also likely that potential residents of the retirement village might find the close proximity to medical facilities to be an asset.

4. Rolling Mill Corridor

Site Description

The Rolling Mill Corridor is a large, multi-use site. It extends from Interstate 68 to the North to Lamont Street to the South, Maryland Avenue to the East and the railroad to the West. There are more than 250 properties within this site. Most are retail/service and residential uses. A few notable properties include the Martin's Food Market, the Fort Cumberland Apartments, the Klot Lofts and additional retail attached to the Martin's. Currently there are approximately 6 non-residential properties listed for sale.

Assets

The Rolling Mill Corridor has a number of assets. It has direct access to Interstate 68 and Highway 51/Industrial Boulevard, both main transportation routes in Cumberland. The site is also well located



in relation to Downtown. The northern part of the corridor is within walking distance of Baltimore Street, but the corridor is far enough away that retail can exist with a different focus. Another asset is a large, 15 acre vacant site to the South of Martin's. Two big-box stores are proposed for the site but have stalled, which offers substantial space for green-field development. Additional assets including the following:

- Klot Lofts multi-family housing development
- Fort Cumberland Apartments – Public Housing

Challenges

This site has a number of challenges based largely on its size. First, with more than 250 properties, there are a substantial number of owners. Therefore, property assemblage will be a challenge anywhere other than the vacant acreage. Additionally, unlike other opportunity sites, the commercial corridor does not have an existing, cohesive plan or vision. One will be necessary due to the fact that the Corridor must establish a separate identity from Downtown and the Central Business District. At a minimum, substantial outreach to the commercial property owners will be necessary to gauge interest in being part of a larger redevelopment strategy.

Program Focus

A mixed use employment and commercial village is the proposed focus for this corridor. Additional office and retail/service development in a town-center style will help to establish an identity for the corridor and differentiate it from the cultural and entertainment focus of Downtown. Additionally, existing and new residential development in the area will provide a customer base for retail/service businesses and possible employees who might be attracted to positions close to home. This area has the greatest potential to become a live/work destination within the City.

5. Rose's Shopping Center

Site Description

The Rose's Shopping Center site is the location of the single-story shopping mall and surrounding parking lot for which it is named. The approximately 8 acre opportunity site is bounded by Queen City Drive to the East, North George Street to the South and Frederick to the North/West. Adjacent uses include fast food establishments, the Western Maryland Consortium job training center and other retail/service businesses. There are a handful of spaces available for lease on the site.

Assets

This opportunity site has a number of assets. It is well-located, facing Queen City Drive and a short distance from Baltimore Street and other businesses in Downtown. It also has the potential to be a significant gateway into Downtown. Additionally, the site has a single owner, reducing issues with property assemblage. The size of the lot, too, is an asset with space for a larger scale development within an already fully developed Downtown.

Challenges

The Rose's Shopping Center site does have challenges. Most notably, it is a functioning shopping center. The City will need to develop a strategy that justifies the owner eliminate the current revenue stream for a more speculative opportunity. Most likely, the final plan will have to provide substantial density increases and have public investment components. That said, the current use of the site is not consistent with its Downtown location. Approximately half of the site is devoted to parking, with the shopping center set back away from Queen City Drive. While this may be the layout for traditional suburban shopping venues, it is a challenge to establishing Baltimore Street as an entertainment and cultural hub. Simply put, the shopping Center has reduced the potential of expanding Baltimore Street's pedestrian climate to Queen City Drive. The design of the site is further limited by the



existing street network that is not efficient and can be confusing to persons trying to access to other businesses Downtown.

Program Focus

The proposed primary focus for this site is urban living. This is an ideal location for a mixed-use gateway development of moderate density that combines multi-family units with ground floor non-residential space. This development would expand housing options for area residents and increase spending Downtown while maintaining the existing retail activity on the site. Those existing tenants no accommodated in the redevelopment program can be accommodated in the surplus of currently available retail/service space located Downtown. Ultimately, the focus on urban living would increase nighttime activity in the Central Business District and reinforce Downtown as the center of activity in Cumberland.

6. South End Industrial Park

Site Description

The South End Industrial Park opportunity site is based on a prior proposal and study of the properties in South Cumberland North of Lowes Street, South of Queen Street and bordered by Lafayette Avenue on the East and Canal Parkway to the West. There are approximately 105 properties within the opportunity site and most are single-family residential, warehouse or light industrial uses. The western edge of the site is a short distance from the River and appears to be undeveloped. East of the site are a few manufacturing and warehouse facilities adjacent to the CSX Transportation Cumberland Yard but most of the properties are residential. There is currently one 17,000 SF building for sale at the northern edge of the site.

Assets

Transportation access is the primary asset of the South End Industrial Park. The site is in proximity to Highway 61/Canal Parkway and has access to East and West Industrial Boulevard. There is the potential to add businesses that can integrate with the CSX Transportation Cumberland Yard and businesses that can utilize the Greater Cumberland Regional Airport. Additional assets include:

- Proximity to natural resource – Potomac River
- Previous efforts made to explore potential for an industrial park

Challenges

While the site is generally well located, it does not have direct access to Interstate 68, the main transportation route for the region. In addition, the composition of existing land uses are not in concert with an industrial park vision. There are a large number of residential properties that may limit the type of industrial use possible on the site. The City will have to proactively acquire these properties to expand the industrial opportunities in the area. The large number of owners has the potential to make property assemblage for a larger project more difficult. Finally, the initial South End Industrial Park study has not been updated or formalized into a plan.

Program Focus

Based on the assets and challenges associated with the site, the proposed focus is a small-user industrial park. By focusing on smaller businesses, less land may be needed for an individual operation, thus reducing the need for property assemblage. At the very least, property assemblage can occur in phases, and not forcing acquisition of the whole study area at one time. Given the existence of light industrial in the area, continued expansion of these uses may be less disruptive to the residential uses surrounding the site.

7. Willowbrook Road Corridor



Site Description

The Willowbrook Road Corridor opportunity site is located at the intersection of Interstate 68 where Baltimore Avenue becomes Willowbrook Road. The site includes the land surrounding the Interstate 68 interchange and the frontage on Baltimore Avenue just North of where it connects with Goethe Street. The land surrounding the interchange is primarily vacant commercial land, office and residential property. A large portion of the frontage property along Baltimore Avenue is residential. Surrounding the site is additional vacant land and office property to the North, and residential development with a small retail/service node along the Interstate to the South.

Assets

The access to Interstate 68 a significant asset for the Willowbrook Road opportunity site. The site's location along Baltimore Avenue and Willowbrook Road are also assets because they are major transportation routes leading to Downtown and the major employment centers of Allegany College of Maryland and Western Maryland Health System's Hospital. Rocky Gap Casino & Resort is also accessible via Interstate 68 to the North. Additionally, a hotel has already been proposed for development at the interchange and efforts have been made to identify and plan for revitalization of the residential properties along Baltimore Avenue.

Challenges

While this site has a large number of assets, there are a few challenges. The site is removed from Downtown. Although it is a quick drive via Interstate 68 or Baltimore Avenue, it is not within walking distance. In addition, the large amount of vacant commercial land, though an asset, might present a challenge for development due to topographical issues. Finally, Willowbrook Road is lined with residential development as one moves away from the Interstate. The lots are not deep and the houses generally are occupied. Any substantial revitalization will require property assemblage.

Program Focus

The proposed focus for this opportunity site is as a green-field growth corridor. As a well-connected location in close proximity to both Cumberland and the rest of Allegany County, a number of uses can become the focus of this site over time. Should the hotel project come to fruition, it is possible that this site could be a satellite accommodation node with appropriate associated uses to provide lodging for visitors to the Cumberland area. Alternatively, this might be an ideal location for a future business park that can cater to target industries identified later in this report.

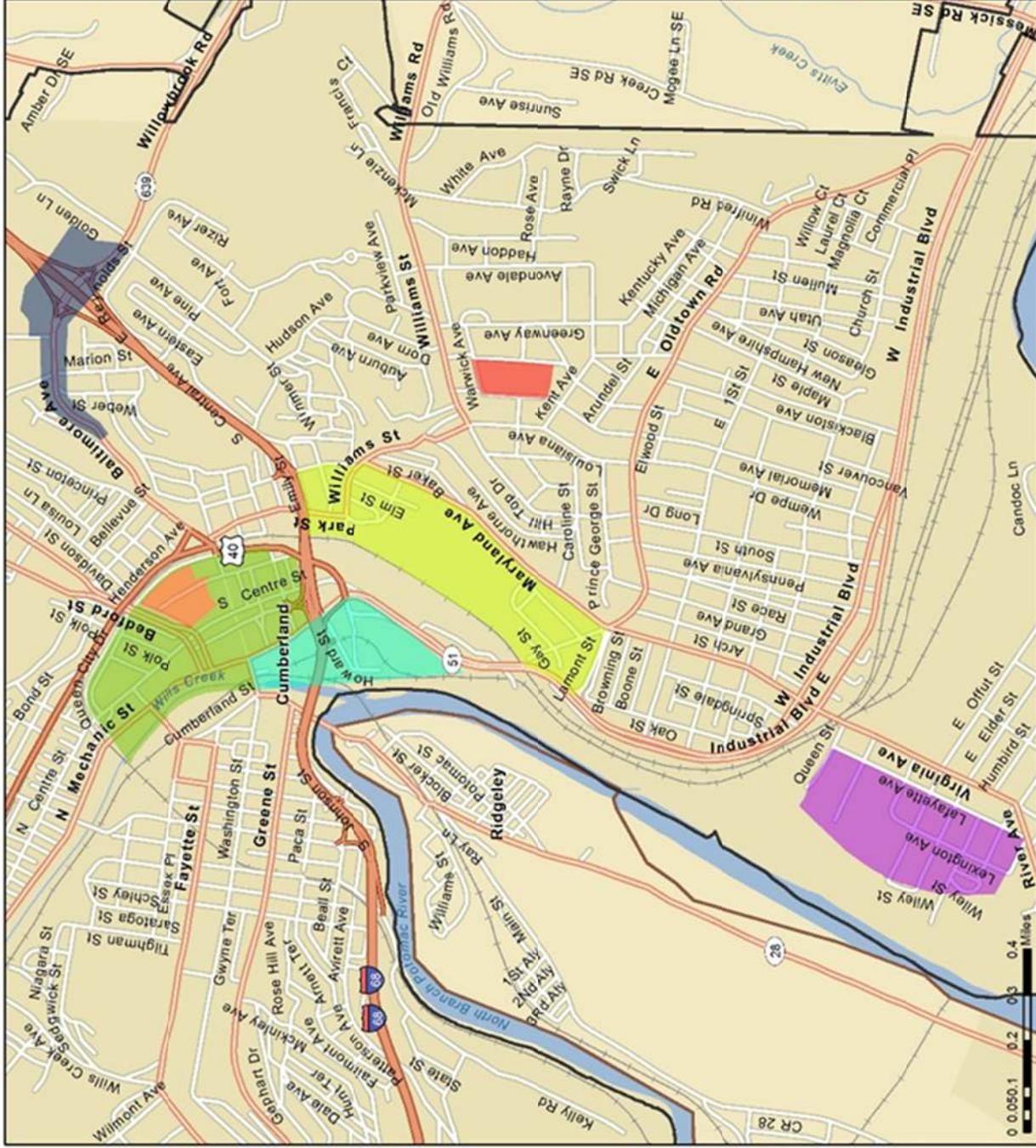


Map 4-5 Opportunity Sites Cumberland, MD

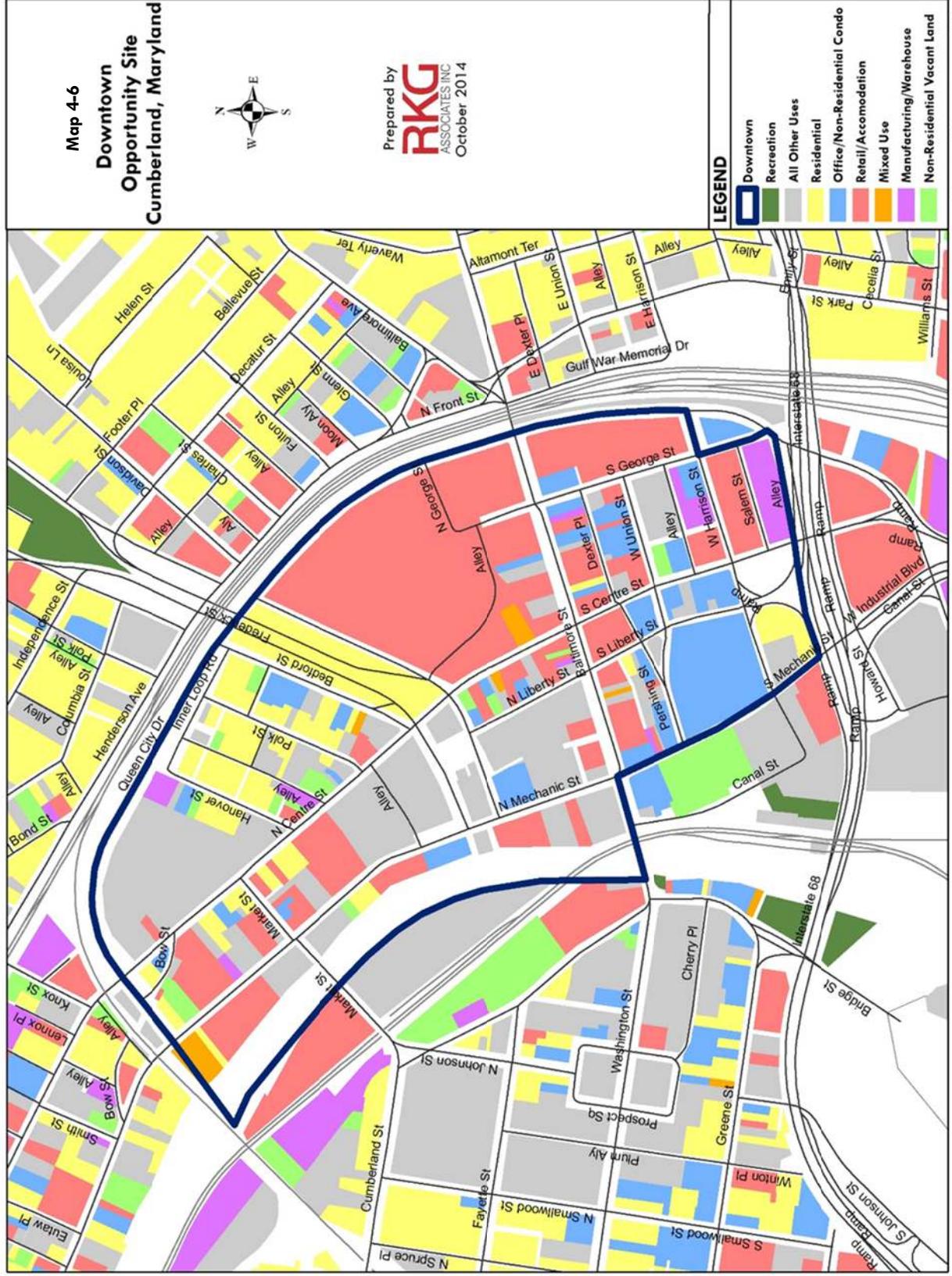


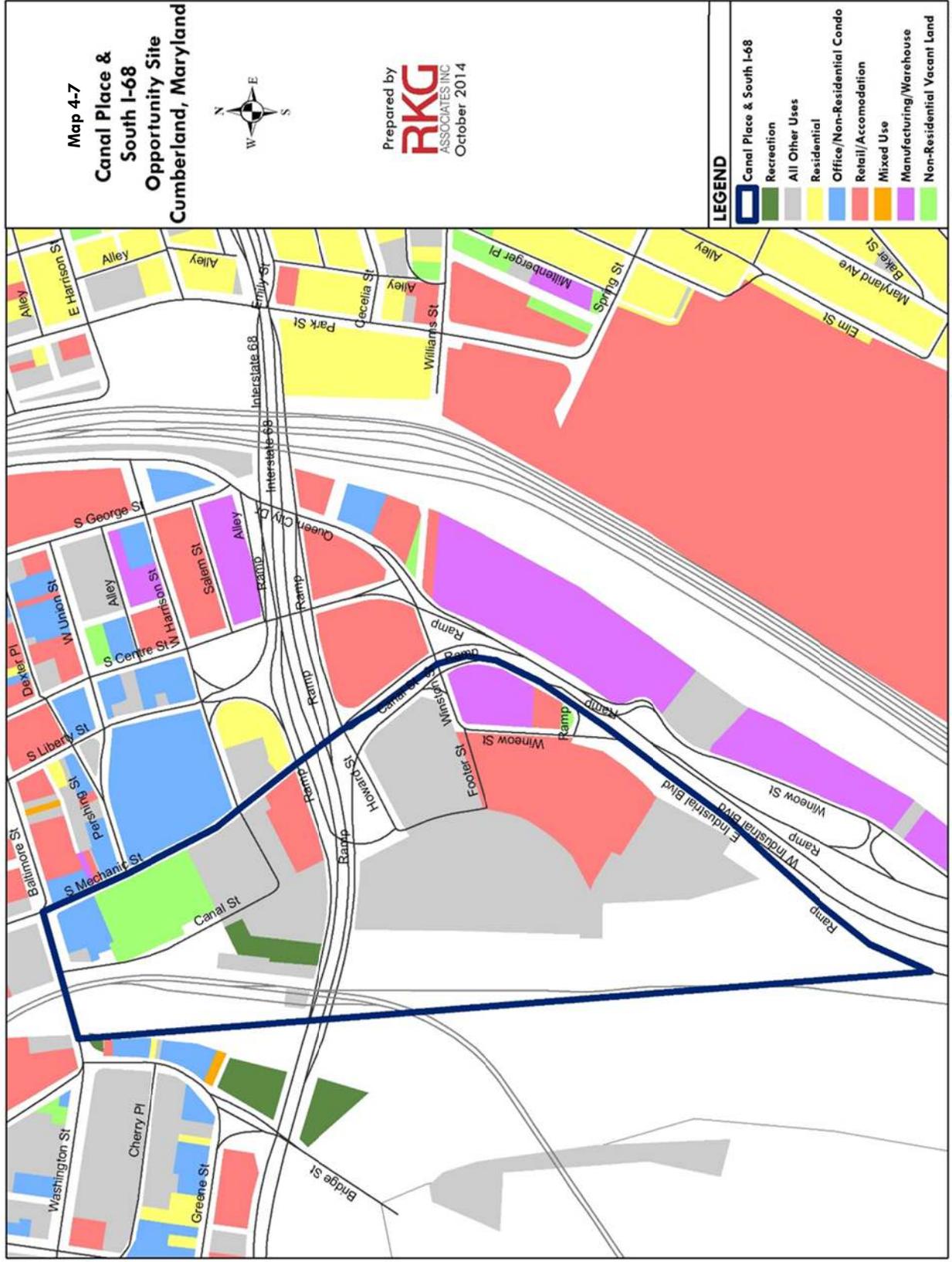
Prepared by
RKG
ASSOCIATES INC
October 2014

- LEGEND**
- Downtown
 - Canal Place & South I-68
 - Memorial Hospital Site
 - Rolling Mill Corridor
 - Rose's Shopping Center
 - South End Industrial Park
 - Willowbrook Road Corridor
 - Cumberland, MD

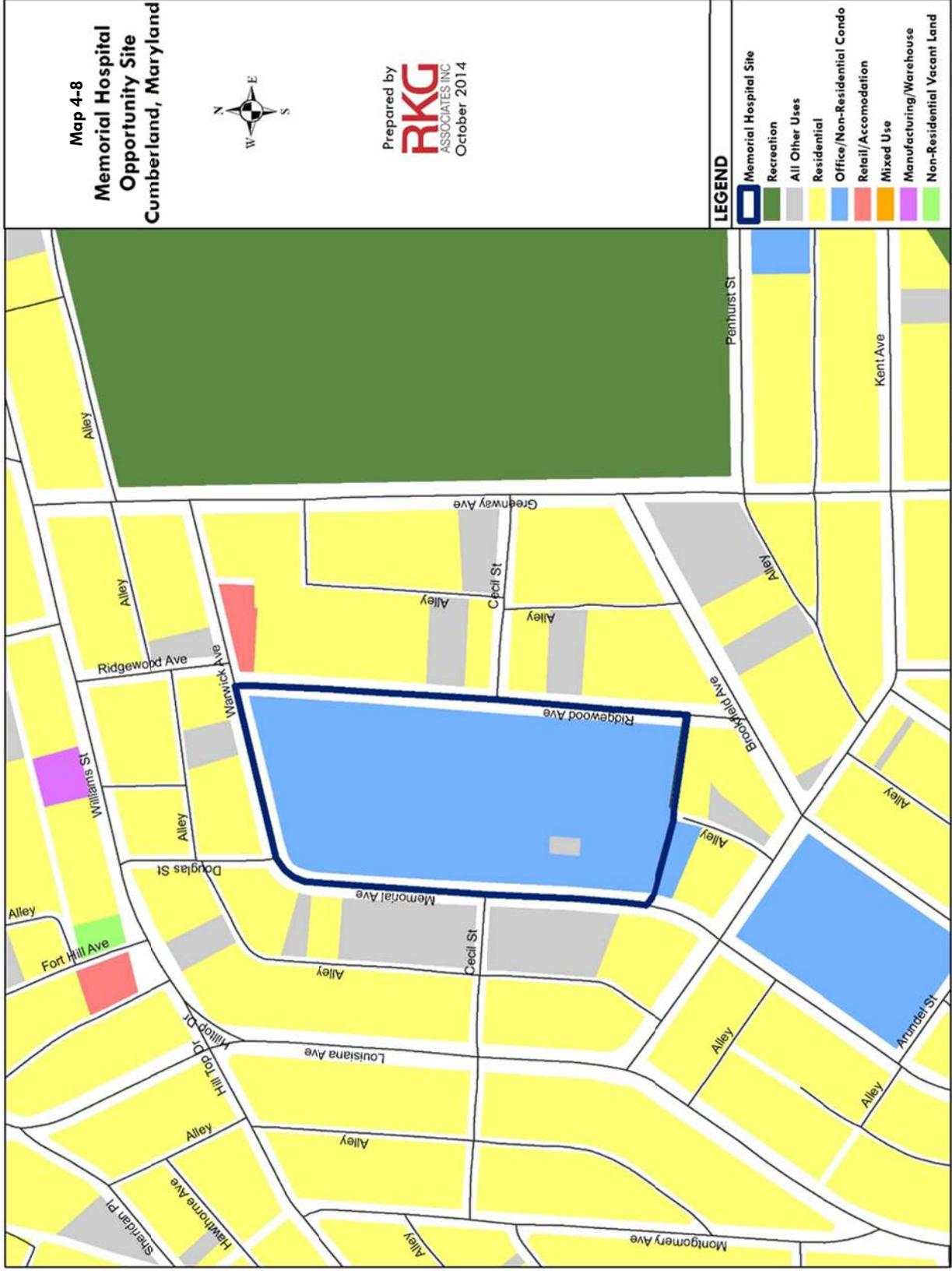


Source: Esri, RKG Associates, Inc., 2014

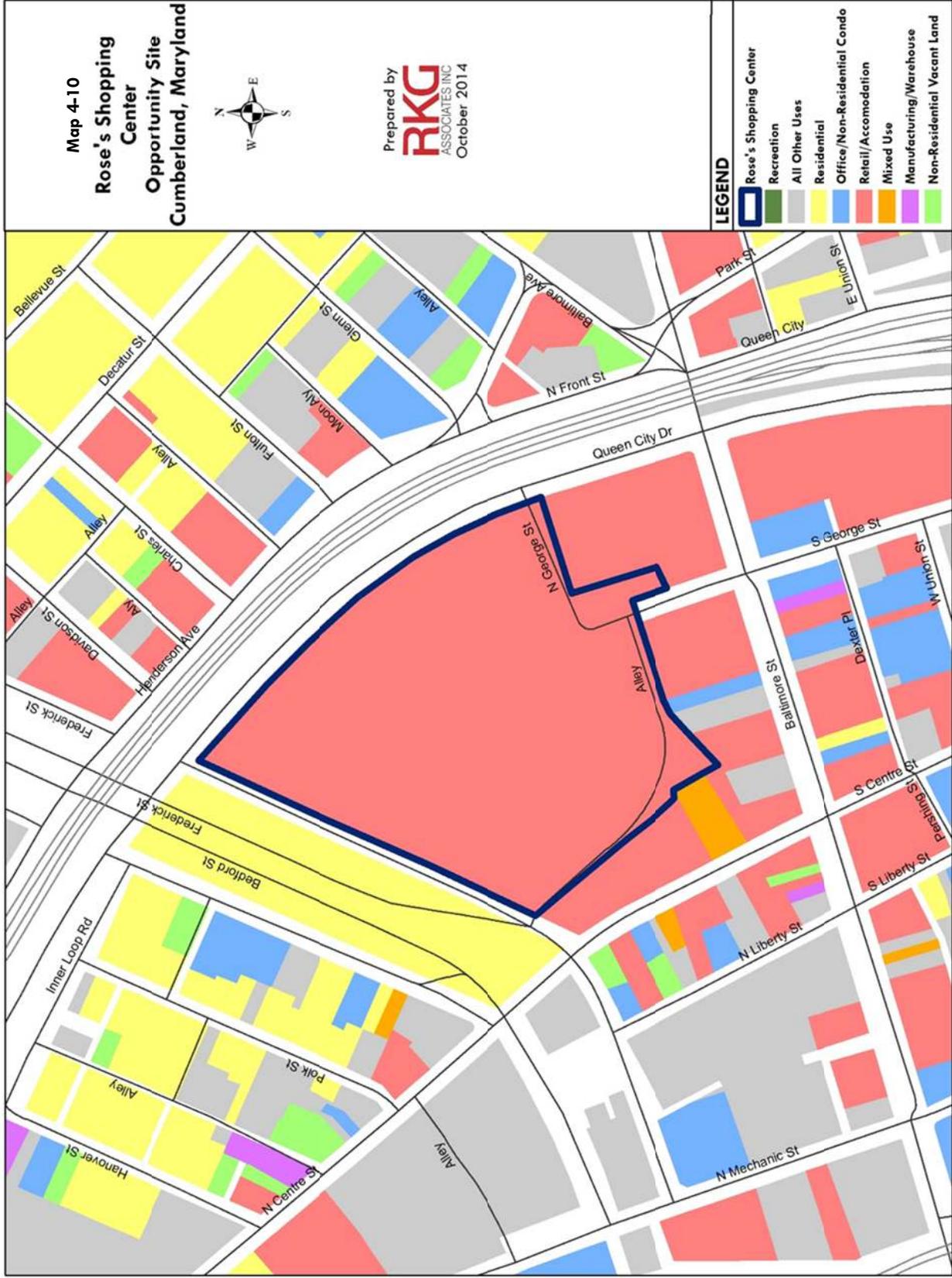




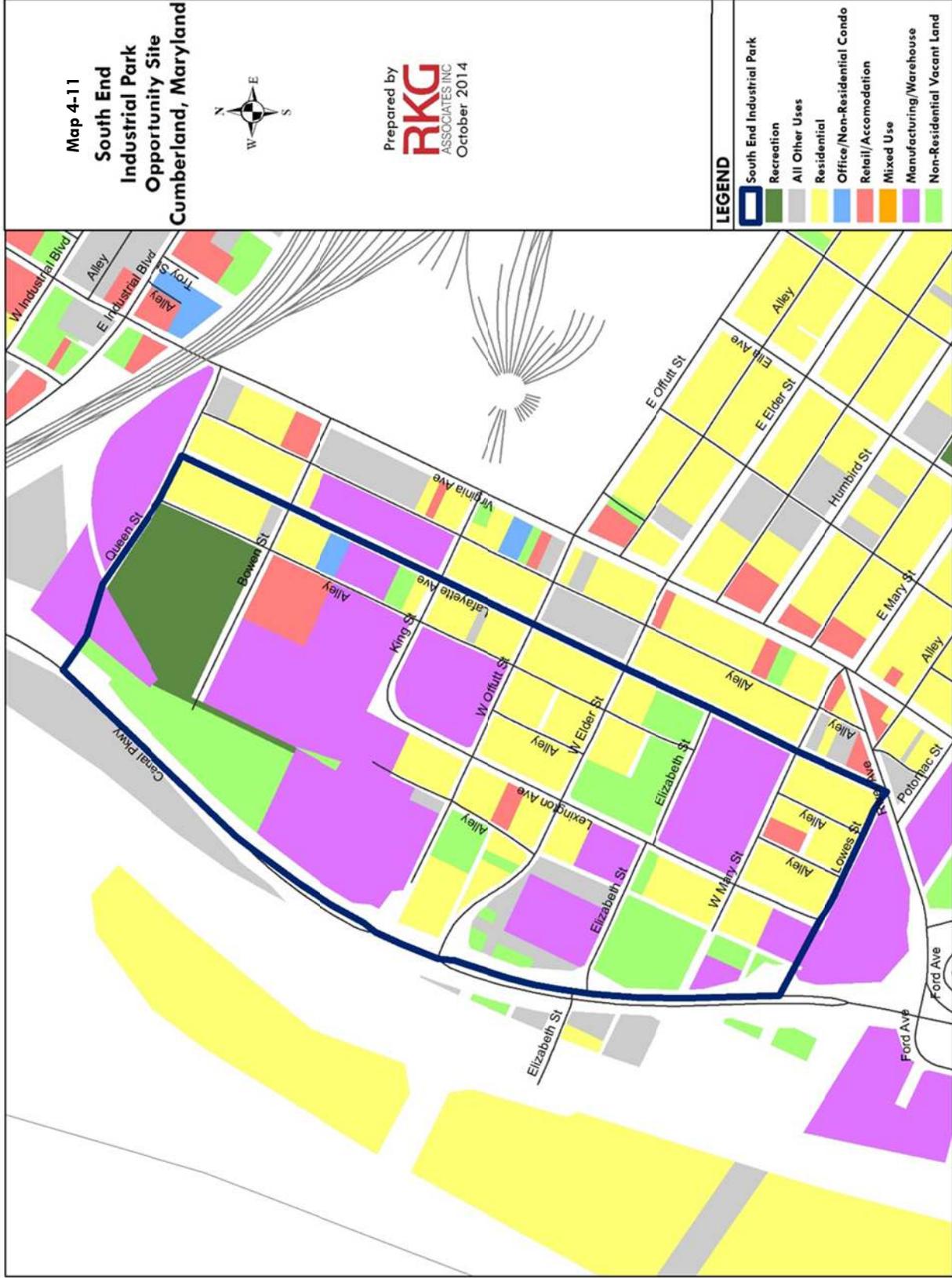
Source: Maryland State Department of Assessments and Taxation, RKG Associates, Inc., 2014

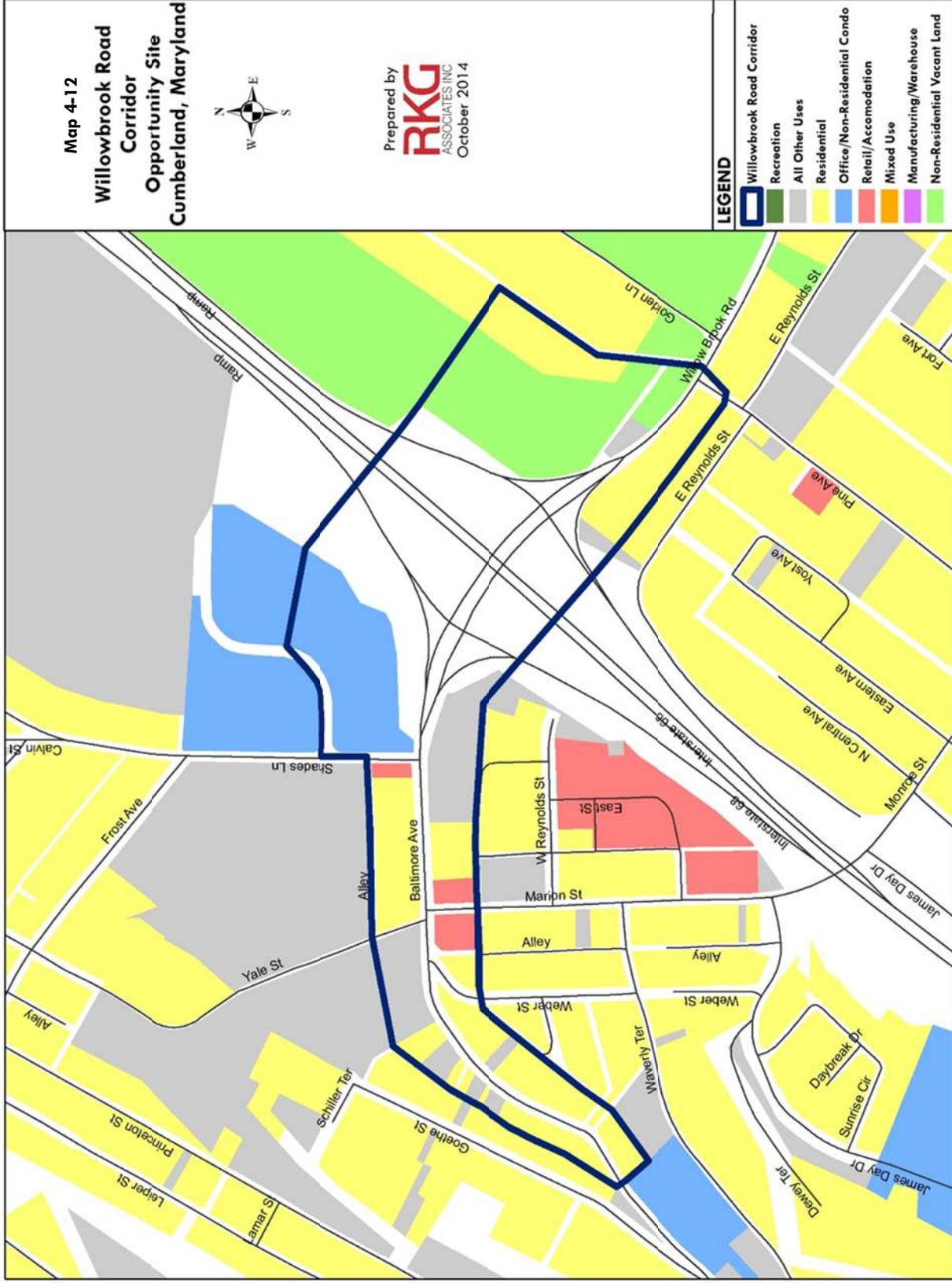


Source: Maryland State Department of Assessments and Taxation, RKG Associates, Inc., 2014



Source: Maryland State Department of Assessments and Taxation, RKG Associates, Inc., 2014





Source: Maryland State Department of Assessments and Taxation, RKG Associates, Inc., 2014