

City of Frostburg Enterprise Zone Report for CY2024

Newly Certified Properties:

- **Total New Certifications:** 4

Highlights of Business Redevelopment and Expansion

The Enterprise Zone has successfully attracted several notable businesses, thanks in part to the tax credits available. Key examples include:

- **O'Reilly Auto Parts:** Construction is well underway for a new retail store, covering 7,225 square feet, on a previously undeveloped parcel within the Frostburg Shopping Plaza. We anticipate the creation of approximately 10 new jobs.
- **Hamm & Glasbrenner CPAs:** This accounting firm, originally based outside the city limits, opened a second location in Frostburg in late 2023, creating approximately 5 new jobs in the area.
- **Playboy's Barber Studio:** In spring 2024, this popular barber shop opened its second location in Downtown Frostburg, expanding its reach from its flagship store in Morgantown, West Virginia. This resulted in the creation of 5-6 new jobs.

In addition to these high-profile openings, there has been a significant increase in new businesses within the city, many of which have undertaken substantial interior renovations. These enterprises have collaborated closely with the City of Frostburg, leveraging tax credits while focusing on future growth, innovative services, and sustainable practices that cater to the community's needs.

Upcoming Economic Development Projects

Future projects poised to benefit from tax credits include:

- **Main Street Redevelopment:** Rehabilitation efforts are underway for three sizable buildings on Main Street that are currently vacant or underutilized.
- **Clym Environmental Services:** This Frederick-based company has selected Frostburg for its second biomedical waste recycling facility. Groundbreaking has commenced on a new 9,600-square-foot facility, which will be included in the 2025 Enterprise Zone report.
- **Sierra Hygiene:** Following a significant 58,000-square-foot expansion of its existing facility in 2023, Sierra Hygiene is planning an additional 30,000-square-foot expansion. Although the city has not yet received a building permit application, we anticipate it will be submitted within the coming year.

Assessing the Cost-Effectiveness of the Enterprise Zone

While the financial assessments and credits for Frostburg’s Enterprise Zone may seem modest, they play a crucial role in supporting this small, rural economy nestled among key landmarks like Interstate 68, Frostburg State University, and the Great Allegheny Passage.

The Enterprise Zone has proven effective in attracting businesses and boosting employment, particularly in the Frostburg Industrial and Business Park. For instance, BSI (Berkeley Springs Instruments) established operations in the park post-pandemic, adding approximately 30 jobs. Similarly, Sierra Hygiene's recent expansion added around 10 jobs, with plans for further growth on the horizon.

Recommendations for Formal Metrics and Analysis

When developing metrics and a framework for evaluating the effectiveness of the Enterprise Zone, it’s essential to consider the unique characteristics of rural areas like Frostburg. Unlike urban zones, rural regions face distinct challenges related to population density, resource availability, and transportation.

Key considerations include:

- **Public Transportation:** Limited access can hinder workforce mobility.
- **Affordable Housing:** This remains a widespread issue, yet local initiatives are underway to address housing needs through innovative projects.
- **Young Professional Retention:** Despite the presence of Frostburg State University, attracting and retaining young professionals remains challenging. Collaborations between local businesses and the university are vital for enhancing retention and, consequently, for attracting further business and employment to the Enterprise Zone.