BUILDING A FRAMEWORK FOR SUSTAINABLE WORKING WATERFRONTS: CAMBRIDGE, MARYLAND

Prepared for
Maryland Department of Natural Resources

*T*his project was managed and directed by the ***Environmental Finance Center (EFC)*** at the University of Maryland in College Park. For twenty years EFC has served the Mid-Atlantic as one of ten regional centers located throughout the country that comprise the Environmental Finance Center Network.   These centers were established to assist communities in addressing the how-to-pay issues associated with resource protection. One of the EFC's core strengths is its ability to bring together a diverse array of individuals, agencies, and organizations to develop coordinated, comprehensive solutions for a wide variety of resource protection problems. The EFC has provided assistance on issues related to energy efficiency, stormwater management, source water protection, land preservation, green infrastructure planning, low impact development, septic system management, waste management, community outreach and training. www.efc.umd.edu.

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Executive Summary

The State of Maryland has over 3,100 miles of shoreline, making its waterfront among its most important assets and deserving of efforts to preserve and enhance the State's existing working waterfront areas.[1] Beginning in 2008, a Working Waterfront (WWF) Commission was formed and tasked with studying and making recommendations for protecting and preserving access to public trust waters. While the Commission focused on Maryland's commercial fishing industry, the issue of access applies to a broader range of stakeholders. The Commission identified four primary causes of access issues (increased population growth, declining profitability of the commercial fishing industry, rising real estate values and limited information exchange among stakeholders). It recommended action in several areas including tax abatement, infrastructure preservation and development, local planning and zoning assistance, and education, research and outreach.

Since then, the Maryland Department of Natural Resource's (DNR) Chesapeake and Coastal Service (CCS) has partnered with the Environmental Finance Center (EFC) at the University of Maryland. This partnership involves a phased approach to advance a working waterfronts program. The first phase, completed in spring of 2014, built off the 2008 Commission Report. It laid out a strategy for incentivizing local efforts to revitalize working waterfront communities and economies throughout the state. The first phase concluded that the dynamic nature of working waterfront development requires a very coordinated and multifaceted program effort at the state level. This includes the coordination of multiple state agencies and programs, such as planning, financing, natural resource protection, and economic development. While past efforts to engage on these issues were rightfully focused

on the needs of commercial fisheries, it is now necessary for the state to coordinate program activities addressing the needs of multiple water-dependent industries and businesses.

Phase two began in the fall of 2014. This phase puts in place a framework for building a sustainable working waterfront program that is being piloted in the City of Cambridge.

Application to the City of Cambridge

The City of Cambridge is an ideal candidate as it has a long history of maritime culture. The City's waterfront has undergone a number of transformations since its earlier days as a commercial working waterfront. This report documents the start of applying a working waterfront framework to the City of Cambridge. While EFC followed a comprehensive process, the process is not complete. This report identifies projects and ideas built from a long-term stakeholder engagement process, one-on-one interviews, and EFC's own analysis. It is important that the City and its stakeholders continue to use this framework to generate project ideas and identify barriers and opportunities to build a sustainable plan forward.

Building the Framework

The concept of a working waterfront is context specific. It reflects the historical and cultural traditions of the local community. At the same time it tackles the challenges of preserving access to the waterfront lands, infrastructure and waterways in light of changing economic and social conditions. The diagram illustrates a framework to facilitate a community through the process of defining its working waterfront. The framework sets out a six-step process built on the following principles:

- Being transparent about values, opportunities, barriers and aspirations for the working waterfront and how they relate to the waterfront's historical and contemporary uses;

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[1]
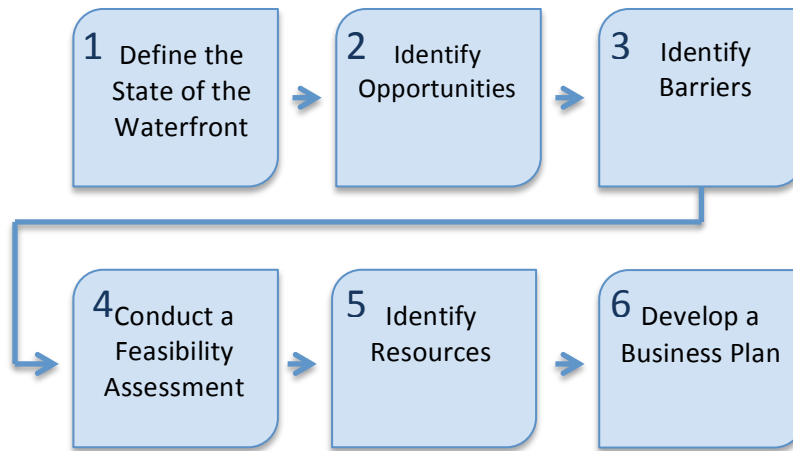
http://dnr2.maryland.gov/ccs/Documents/MDShorelineMilesReference.pdf

1 Define the State of the Waterfront → 2 Identify Opportunities → 3 Identify Barriers → 4 Conduct a Feasibility Assessment → 5 Identify Resources → 6 Develop a Business Plan

- Comprehensively taking stock of aspirations from the perspectives of the community, businesses and natural resources to identify opportunities and barriers so as to not presuppose the waterfront's defining use(s); and
- Identifying and engaging partners to take ownership of initiatives and projects that emerge from the process.

Step 1: State of the Waterfront

The first step in the framework is defining the current state of the waterfront. This step is essential. It involves an agnostic and measured mapping of the waterfront in order to ensure that stakeholder perceptions and beliefs align with reality.

A broad assessment was completed for the City of Cambridge through a GIS mapping exercise as well as review of Cambridge's three main planning documents (Waterfront 2020 Vision Plan, Comprehensive Plan and the Regional/Urban Design Assistance Team Report).

Step 2 and 3: Identify Opportunities and Barriers

Understanding the current state of the waterfront, naturally leads to identifying needs and opportunities. **Opportunities go beyond needs.** Opportunities are ideas of what should be happening to support a working waterfront.

Opportunities loosely fall into one of three categories, preservation, enhancement or creation. The process of identifying opportunities will need to be balanced in considering three distinct perspectives: community, business, and natural resource.

Each opportunity comes with unique challenges. Barriers can take many forms. They can be physical, political, or financial. It is important to identify and document the barriers associated with each opportunity and then look for commonalities among the opportunities.

Opportunities and barriers in Cambridge were identified through one-on-one interviews and feedback from stakeholder targeted activities. They were then charted in specific "zones" around the waterfront. **See Appendix 2** for a more detailed look at Cambridge specific projects.

Step 4: Conduct a Feasibility Assessment

This step in the framework begins the process of distilling the collected information to ascertain what is achievable and where to begin among the most desirable and achievable opportunities. The depth and rigor of the feasibility assessment depends upon the community and resources available to the process. The EFC Team, in conjunction with the Stakeholder group, used a "red light / green light" approach to identify what is achievable and what is not in Cambridge. By assigning a

red, yellow or green color, the process becomes visually more manageable.

Step 5: Identify Resources

This step uses the benefits and outcomes of "green light" opportunities as a way to identify potential funding and resources rather than secure funding. Based on these pathways, the stakeholders can begin to assess: 1) how funding opportunities can be combined and mingled in a project; and 2) plan for how and when to access the funding opportunities in accordance with each source's unique set of requirements and application cycles. For example, the City of Cambridge qualifies as a Priority Funding Area, Enterprise Zone, and Historically Underutilized Business (HUB) Zone. Under these classifications Cambridge is eligible for many of the loans and grants offered by the Maryland Department of Business and Economic Development. Additionally, these loans and grant opportunities can be coupled with the department's training and assistance on hospitality. Depending upon how the development proceeds, it can take advantage of loans, grants and tax credits for energy efficiency, open space, and green infrastructure. **See Appendix 1** for Maryland specific resource options.

Step 6: Develop a Business Plan

This stage focuses on generating a prospectus that will guide the process of moving an opportunity from concept to reality. The framework terms this prospectus a "business plan" in order to highlight that this step is about moving beyond a strategic plan to detailing a more concrete approach. Each project will need an advocate that assumes responsibility for driving its implementation. Depending upon the project, this advocate could be government, an NGO, a business, a consortium, or private citizen(s). Notably, the advocate may not ultimately be the owner. The business plan that emerges from this step can serve as a tool to court an advocate or assist an advocate in progressing the opportunity.

The Cambridge case study did not get to this point in the framework. As Cambridge continues to develop its list of "green lighted" opportunities, this step will help guide how each moves forward.

Recommendations

Recommendations from this second phase of advancing a working waterfront's program are two-fold: 1) actions that the Department of Natural Resources should consider at the State level; and 2) actions that the City of Cambridge should continue as to not lose momentum on the progress that they have made thus far.

State-level

- **Formalize** a Working Waterfronts Program within the Department of Natural Resources Chesapeake and Coastal Service (CCS).
- **Jump-start** community working waterfront programs by providing resources such as technical assistance, financial, planning and capacity where possible.
- **Maintain** the ongoing state-level Working Waterfronts Advisory Committee to provide valuable guidance to CCS as well as to help identify waterfront areas of the state that may be good candidates to receive assistance from state and local resources.
- **Utilize** the 6-step framework, discussed above, when working with a waterfront community as a reasonable assurance tool to evaluate resources expended on the project, whether financial or otherwise.

City of Cambridge

- **Maintain** the current Cambridge Stakeholder Advisory Committee for working waterfronts to guide in the development of a sustainable program.
- **Continue** the effort on identifying opportunities and barriers for waterfront projects to advance the 6-step framework with the ultimate goal of creating a "business plan".

Working Waterfronts

National Working Waterfronts Network

The National Working Waterfronts Network is a collaboration among municipalities, state and federal agencies, nonprofits, universities, Sea Grant programs, businesses, industry associations, and individuals dedicated to supporting and enhancing the nation's working waterfronts and waterways. The Network works to: research and celebrate the nation's working waterfronts and waterways; provide partners with access to the historical, economic, financial, and policy information and resources they need to address issues on working waterfronts and waterways at the local, state, regional and national level; and to maintain and strengthen a diverse network of partners who collaborate internally and act as liaisons to their stakeholders and communities.[2]

Maryland's Working Waterfront Initiatives

In 2007, the Maryland General Assembly established the Working Waterfront Commission. The Commission was tasked with studying and making recommendations for protecting and preserving Maryland's commercial fishing industry's access to public trust waters.[3]

The Commission identified four primary causes of access issues:

- Increased population growth;
- Declining profitability of the commercial fishing industry;
- Rising real estate values and other economic drivers; and
- Limited information exchange among stakeholders concerning issues, needs, and

solutions to coastal waterfront access issues.

These causes have the following effects in Maryland: (1) lack of commercial boat docking and unloading areas; (2) increased taxes paid by owners of commercial waterfront property; and (3) loss of commercial waterfront properties that supply services to commercial watermen.

In order to address these findings, the Commission recommended action in five areas. Tax abatement focused on reducing the impact of the inheritance tax on inter-generational working waterfront property transfers by either exempting, providing a special valuation for, or allowing an alternative payment schedule for working waterfront property. Addressing infrastructure preservation and development concentrated on funding. Specific recommendations include: providing greater weight to project scoring criteria for Waterway Improvement Program projects benefiting commercial fishermen; encouraging use of federal funding for economic development; creating a new State- or federally-funded economic livelihood program; and creating a new working waterfront conservation easement program. Local planning/zoning assistance encouraged existing planning programs to work with local jurisdictions on access issues, to expand existing planning law, and to inform the public about commercial fishermen rights under

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[2] The National Working Waterfront Network. http://www.wateraccessus.com/
[3] Maryland Working Waterfront Commission Report. 2008

> **Figure 1: What Are Working Waterfronts?**
>
> Working waterfronts are waterfront lands, waterfront infrastructure, and waterways that are used for a water-dependent activity, such as ports, small recreational boat harbors, fishing docks, and hundreds of other places across the country where people use and access the water.
>
> Source: National Working National Working Waterfront Network. www.wateraccessus.com

State programs affecting access to public trust waters. Lastly, education, research, outreach, along with federal legislation addressed institutional and capacity needs to preserve working waterfronts.

Since the release of the 2008 Commission report, DNR's Chesapeake and Coastal Service has partnered with the Environmental Finance Center (EFC) at the University of Maryland. This partnership involves a phased approach to advance a working waterfronts program. The first phase, completed in spring of 2014, built off the 2008 Commission Report. It laid out a strategy for incentivizing local efforts to revitalize working waterfront communities and economies throughout the state. The first phase concluded that the dynamic nature of working waterfront development requires a very coordinated and multifaceted program effort at the state level. This includes the coordination of multiple state agencies and programs, including planning, financing, natural resource protection, and economic development. While past efforts to engage on these issues rightfully focused on the needs of commercial fisheries, it is now necessary for the state to coordinate program activities addressing the needs of multiple water-dependent industries and businesses.

The current phase – Phase 2- began in the fall of 2014. This phase puts in place a framework for building a sustainable working waterfront program that is being tested in the City of Cambridge.

Additionally, DNR is building a Working Waterfronts Initiative into their 5-year strategic plan through funding from NOAA's Coastal Zone Management Act. Formally identifying a working waterfronts initiative through their 5-year strategic plan will help secure resources to continue efforts in helping build sustainable working waterfront communities.

National Working Waterfront Programs

Working waterfronts can be defined in several ways. Visually represented (see figure 2) are state working waterfront programs from around the country. Some are formal programs that have been adopted; others are just getting started. Given that not all working waterfront programs are strictly geared toward commercial fishing, the EFC team has helped to build a clearer picture of how the term "working" can be defined. The water and land spectrum is represented on the Y-axis of the graph. It shows how working waterfront programs interact with the land and water by either putting more emphasis on access and interaction with the land or access and interaction with the water itself. The X-axis represents the spectrum of recreational to industrial activities including residential and commercial activities. The X-axis is important as it lays the framework to give communities options on how they may define their waterfront activities. For example, while Florida emphasizes and protects access to their waterfront, the program, generally speaking, focuses its efforts on on-the-water recreational activities. Just as important to Florida's on-the-water focus is Maine's commercial-focused on-the-water efforts. Maine has built a program that compliments its long history of commercial

Figure 2
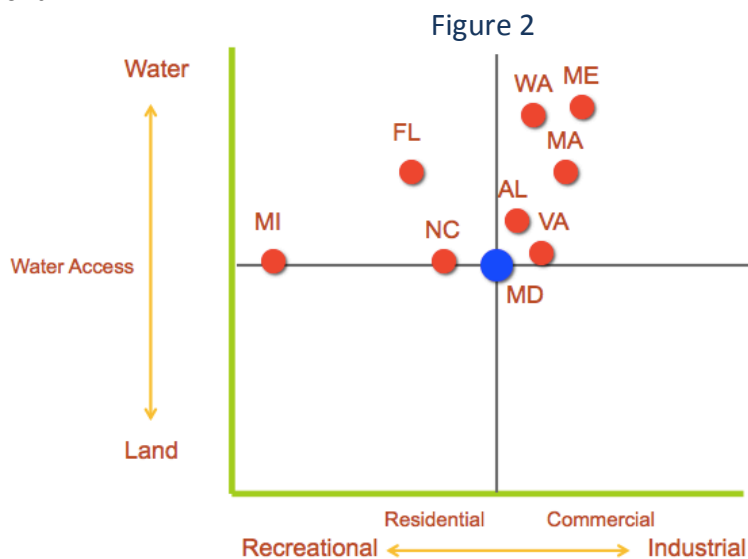
fisheries further strengthening its water-focused economy.

Given the Chesapeake Bay's declining fisheries over the past decades due to poor water quality, focus on recreational activities is more important than ever to help offset the economic loss of commercial activities. Ideally, Maryland's working waterfront programs would fall somewhere in the middle of the graph. Each Maryland community will be different in how they define their working waterfronts. But each will need to find a balance between the access to land and interaction on the water that recognizes the importance of both recreational and commercial activities. This balance will better compliment the realities of the Chesapeake Bay region.

Framework for Defining a WWF

The concept of a working waterfront is context specific. It reflects the historical and cultural traditions of the local community. At the time same it tackles the challenges of preserving access to the waterfront lands, infrastructure and waterways in light of changing economic and social trends.

The diagram below illustrates a framework to facilitate a community through the process of defining its working waterfront. The framework sets out a six-step process. Key elements of the framework include:

1. Being transparent about values, opportunities, barriers and aspirations for the working waterfront and how they relate to the waterfront's historical and contemporary uses;

2. Comprehensively taking stock of aspirations from the perspectives of the community, businesses and natural resources to identify opportunities and barriers so as to not presuppose the waterfront's defining use(s); and
3. Identifying and engaging partners to take ownership of initiatives and projects that emerge from the process.

The subsequent sections define each step of this framework in detail.

Defining the State of the Waterfront

The first step in the framework is defining the current state of the waterfront. This step is essential. It involves an agnostic and measured mapping of waterfront in order to ensure that stakeholder perceptions and beliefs align with reality.

Waterfronts for many communities are steeped in history and tradition. Sometimes these historical and cultural dynamics lead to exaggerated importance or a myopic focus on a particular waterfront attribute that can lead to missing opportunities. In other instances, the dissonance between perception and actuality can lead to a community seeing the waterfront for what it had been (in the past) rather than how it is.

Ideally a community takes stock of its waterfront through understanding not just the waterfront's physical state, but also the activities or uses at the waterfront. As noted in the national definition, a working waterfront encompasses waterfront lands and waterways and the infrastructure in between. A

1 Define the State of the Waterfront	2 Identify Opportunities	3 Identify Barriers
4 Conduct a Feasibility Assessment	5 Identify Resources	6 Develop a Business Plan
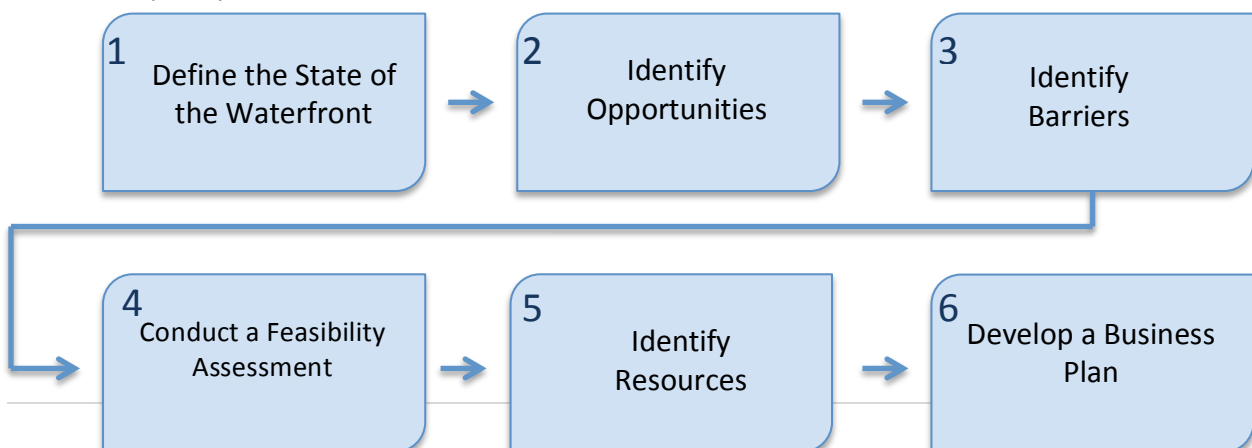
community can draw on many sources for its physical mapping of the waterfront. Information sources include water quality, terrain, GIS maps, zoning and land use restrictions. Notably, the physical mapping does not assess the activities that occur at the waterfront. It identifies the structures and physical assets at the waterfront. For example, the physical stocktake considers water quality but does not look at whether fishing occurs in the waterway. In other cases the stocktake may identify a pier and the condition of the pier, but it will not identify congestion or uses of the pier. Instead, the activities mapping will capture the extent and robustness of human activity (or ecological services). When addressing the activities that occur along the waterfront, some effort should be given to understanding past, current and future uses of waterfront assets.

The activities mapping is a means of understanding if and to what extent disconnects exist between reality and beliefs among stakeholders.

Outputs in this stage in the framework include:

- Inventory what is used and what's not used at the waterfront;
- Preliminary evaluation of the degree of diversity or homogeneity in current waterfront uses; and
- Assessment of how well the current state of the waterfront aligns with perceptions by community and other stakeholders.

Identifying Opportunities

Understanding the current state of the waterfront, naturally leads to identifying needs and opportunities. **Opportunities go beyond needs.** Opportunities are ideas of what should be happening to support a working waterfront. For example, the waterfront mapping may identify a vacant lot or a building that is an eye sore. Stakeholders may identify such a place as an opportunity. However, that place represents a *need*. The idea or concept of what should be done (e.g., transform the lot into green space) is the *opportunity*.

This step gathers ideas for opportunities to create, transform or support a working waterfront. Because opportunities will be context specific, this step does not seek consensus on the merits of each opportunity. The waterfront will have a spectrum of stakeholders reflecting its historical and current uses. Just as economic activity along the waterfront may be changing so is the socio-demographic composition of people living near the waterfront. Consequently, opportunities loosely fall into one of three categories, preservation, enhancement or creation. The process of identifying opportunities will need to be balanced in considering three distinct perspectives: community, business, and natural resource.

In this step of identifying opportunities, stakeholders will need to ask themselves three questions.

- What do you want to preserve?
- What do you want to enhance?
- What do you want to introduce?

Preservation focuses on protecting and maintaining what is already there. Preservation is likely to be an aspect of a working waterfront given the State's maritime history. In contrast, *enhancement* looks to build upon what's already there. Enhancement opportunities can involve expansions or upgrades of existing physical, recreational or commercial infrastructure or activities. The last question is about *creation*. It involves bringing something new or bringing back something that's been lost to the waterfront. Creating something new often involves building or providing a new activity or infrastructure, but it can also involve repurposing, removing or relocating existing structures and/or businesses.

Three Perspectives

When identifying opportunities, it is important to be comprehensive. One way to minimize the risk of missing an opportunity is to systematically consider three perspectives. The perspectives are community, business, and natural resource. The community focuses on

social, cultural and recreational opportunities. The business perspective will capture opportunities supporting economic development and activity, such as ones related to tourism and commerce. Lastly, the natural resource perspective accounts for opportunities focused on landscapes, fisheries, and other natural assets or ecosystem services. These three perspectives are broad categories meant to organize the consultation and inventory of opportunities. Each category is likely to be comprised of many perspectives and stakeholders.

As noted, the community perspective is focused on people, cultural values and roles that the waterfront places in building social capital. The community perspective will most likely focus on opportunities that connect surrounding residents to the waterfront. This connection could be cultural or recreational – like providing access to the water or opportunity to use space at the waterfront. Alternatively, it may be focused on providing services that bring the community to the waterfront. When considering this perspective, it is also essential to recognize that community is a broad term and is likely to involve several diverse groups. For example, the waterman community or residents living along the waterfront are likely to come to mind first. However, surveying opportunities from a community perspective should reflect engaging representatives that can account for the potentially diverse composition of a locality.

The business perspective will likely consider opportunities that support economic or productive activities capitalizing on the waterfront's assets. With changes in the economic structure of our region, business-oriented opportunities may be diverse and not all opportunities may complement each other. Traditional waterfront business opportunities will include aquaculture and the services needed to support it such as storage (for equipment), docks, and processing facilities to handle the unloading and transport of daily catch. Related and likely symbiotic will be

businesses that support recreational and commercial boating, such as boat repair, boat building, boating school, etc. More modern economic opportunities may be more retail and tourism-oriented. These opportunities may focus on not so much on how people can access the water from land but rather emphasize the aesthetic setting of being near or on the water. In some instances, tourism and commercial/retail opportunities may conflict with more traditional waterfront activities (eg, raising problems of congestion or negative externalities such as noise and odor problems).

The natural resource lens considers the needs and desires the community has for the state of its natural assets. Because a working waterfront encompasses a loosely defined zone of land leading up to the water, access points to the water, and the water itself, its natural assets are extensive. They include ecosystem services, fisheries, and landscapes. Through this lens, opportunities related to restoration, protection and enhancement naturally interact with current and planned uses.

It is essential that this step, focus on systematically identifying opportunities. **Potential conflicts among opportunities should be noted but not applied at this point as a way of discounting or dismissing an idea.** Subsequent steps (barriers and prioritization) will directly address how opportunities interact with each other.

Identifying Barriers

Each opportunity comes with unique challenges. Barriers can take many forms. They can be physical, political, or financial. They can also be directly linked to the site or associated with an opportunity's surrounding. In other instances, barriers will be common to opportunities of a particular type (enhancing, preserving, creating).

This step involves identifying and documenting the barriers associated with each opportunity and then looking for commonalities among the opportunities. It does not, however, involve

assessing which barriers are insurmountable and which are inconsequential. While recognizing not all barriers have equal weight in influencing the success of an opportunity, this step emphasizes transparency in how barriers are identified and in the rationale or assumptions that give rise to the list of barriers. Often times the significance of a barrier will be context and perspective dependent. For example, the significance of a barrier will often relate to property rights (eg, who owns a resource, such as a building or lot) and an organization/individual's capacity and capabilities. At this phase of the framework, many of the opportunities are concepts and still lack project leaders.

This framework defines three broad categories of barriers that will have relevance to most opportunities. **Physical barriers** can be either on site or associated with the surrounding area. They tend to account for constraints and limitations in the types of activities a site can support. Examples of onsite physical barriers can be lot size constraints or water depth that restricts marine vessel size or inadequate (or absent) infrastructure, such as a bulkhead. In other instances, water quality may be a barrier to human uses (for example, swimming, oystering, etc). Offsite barriers arise in the surrounding area and include inadequate infrastructure and conflicting activities or land uses. For example, an opportunity may require roads and pathways connecting to the waterfront or facilitating the movement of goods from the water to land and then on to final destinations (e.g., transportation of seafood catch).

Political barriers encompass a broad array of factors, including institutional and regulatory factors, political leadership or will, and community support. Some of these factors, such as institutional and regulatory, are more easily documented. Institutional barriers account for how well an opportunity intersects with current policy practices or the complexity of the process to transform an opportunity into reality (e.g., layering of local, regional, state or

national bureaucracies). Regulatory barriers address legal requirements, such as zoning laws, environmental permit requirements, reporting and certification obligations. Political will and community support are less tangible but equally critical. These two types of barriers look beyond technical feasibility to gauge the palatability of an opportunity. For example, what makes sense for the City's economic interest may not resonate with citizens who want to interact with the waterfront.

Financial barriers focus on the understanding the impediments and constraints in accessing capital for the implementation of an opportunity and requirements for a project's economic sustainability and self-sufficiency once operating.

Conducting a Feasibility Assessment

Up to this point, the framework has focused on collecting information without any discerning criteria to prioritize or cull the inventory of opportunities and barriers. This step in the framework begins the process of distilling the collected information to ascertain what is achievable and where to begin among the most desirable and achievable opportunities.

This process terms this step "conducting a feasibly assessment". However, the depth and rigor of the feasibility assessment depends upon the community and resources available to the process. It can be highly qualitative, relying solely upon expertise and stakeholder knowledge. This tact will be appropriate where opportunities are highly conceptual and resource constrained. At the other end of the spectrum, the assessment can be a rigorous, structured process that attempts to develop quantifiable metrics.

While the "right" approach must be tailored to the setting, the feasibility assessment has a few guiding principles. First, the assessment must be inclusive, matching the diversity of stakeholders in the community. Second, the assessment must clearly convey assumptions and set out rationale for decisions. Third, the

assessment needs to have engagement not only in participation but also in communicating its outcomes.

In evaluating the barriers, the feasibility assessment should lead to a collective understanding about:

- How the barriers emerge through the lenses of community, business and natural resource and which are cross-cutting, having relevance to all lenses;
- Which barriers are not likely to be overcome, and therefore the opportunity should be "parked" for a later time;
- How overcoming a barrier influences the opportunities, that is, will tackling one barrier help one or many opportunities be realized?;
- When consider timing of overcoming a barrier, how does this relate to other challenges (eg, sea level rise or trends in various industries/markets/social-economic factors)?

Once understanding the barriers, the next step is to use that understanding as the basis for identifying a set of feasible opportunities. Each opportunity can be given a "red", "yellow" or "green" light. "Red-lighted" opportunities are deemed unlikely to succeed. "Yellow-lighted" opportunities lack consensus on their likelihood of success. "Green-light" opportunities have strong support and consensus that they should proceed and be the focus of efforts. Part of building consensus around opportunities being categorized as yellow or green will also involve characterizing the benefits of each opportunity and how each candidate opportunity acts as a catalyst or enabler to other opportunities.

This step ultimately aims to build consensus around the 'set' of best opportunities through transparency in the logic of this list. This exercise should go beyond technical feasibility (eg, viable given regulatory and design requirements) to integrating financial realities and public and political willingness. Importantly, the process needs to explicitly address long-term challenges such as increased storm

frequency and sea-level rise associated with climate change. It is important to allow for public consumption and feedback of the proposed projects.

Identifying Resources

A working waterfront will be multi-dimensional, reflecting the diversity of affected land and water resources. As such the opportunities that emerge from this framework will intersect with a broad range of programmatic objectives, each creating a potential pathway to accessing technical assistance and funding. Likely sources of funding at federal and state levels come from programs focused on:

- Economic development through small business, tourism, industry initiatives, structural adjustment, training programs;
- Natural resources, such as grants for restoration, conservation and preservation of landscapes and/or ecosystem services;
- Promoting and creating recreational opportunities (parks, wildlife refuges), open space, and green infrastructure;
- Encouraging sustainable use of fisheries and other water-based resources;
- Historical and cultural preservation of practices, landscapes and assets;
- Infrastructure including roads, rail, ports, electrical, water/sewage, bulkheads, dock space, lighting, etc.;
- Stakeholders and partners – foundations, NGOs, private businesses, downtown business groups, city advocates, non-profit organizations, environmental organizations, etc. Think about developing a working waterfronts board.

This step uses the benefits and outcomes of "green light" opportunities as a way to identify potential funding and resources rather than secure funding. Based on these pathways, the opportunities can begin to:

- Assess how funding opportunities can be combined and mingled in a project; and
- Plan for how and when to access the funding opportunities in accordance with

each source's unique set of requirements and application cycles.

Developing a Business Plan

The visions for a working waterfront will likely be comprised of many individual projects or opportunities. This stage focuses on generating a prospectus for each individual opportunity that will guide moving from concept to reality. This framework terms this prospectus a "business plan" in order to highlight that this step moves beyond a strategic plan to detailing a more concrete approach.

The visioning and vetting processes (steps 1-4 in this framework) are inclusive. They engage a wide range of individuals and organizations: various government agencies and departments at the local, county and state levels; environmental and industry organizations; citizen groups; political officials; and business owners. At the same time, these collective and inclusive processes run the risk of creating a vacuum for project ownership.

Once the initial visioning and prioritization process (steps 1-4 in this framework) is complete, each project will need an advocate. An advocate will be an individual or an organization that assumes responsibility for driving and delivering the project. Depending upon the project, this advocate could be government, an NGO, a business, a consortium, or private citizen(s). Notably, the advocate may not ultimately be the owner of the project. If the advocate does not own the project, they will need a partner that has legal rights to secure funding and contract on services.

The prospectus serves as a key tool for either: (i) identifying and/or securing a project's advocate; or (ii) providing the foundation for a project's advocate to pursue funding. It is a first step in transforming ideas into projects "on-the-ground". First and foremost it provides *transparency* and can communicate the intended commitments and outcomes of the project. Second, it documents the *rationale* for the project by specifying why the project is

important, beneficial and sustainable. Third, the prospectus details its *resource requirements* and the assumptions about how the resource requirements were forecasted. Lastly, the prospectus provides a *timeline* and specifies milestones so that progress can be tracked.

The prospectus is modeled on the following key elements of a business plan.

- **Project Description**. The project description should be clear, concrete, and succinct;
- **Project owner**. Define roles of project partners and identify who owns the project's assets and/or takes financial responsibility for the project.
- **Project need**. This component makes the case for why there's a need (e.g., understand how the project fits into the regional, local economy/setting and who the project services);
- **Project viability**. Assess the return to realizing an opportunity (e.g., revenue stream, number of users) and acknowledge the barriers and challenge and provide a strategy for overcoming or mitigating their effects;
- **Project resource requirements**. Develop an estimate of capital and services requirements to support the project's realization; and
- **Project timeline**. Develop a timeline with milestones to track progress and development.

Working waterfront initiatives are driven, in part, by government policy and initiatives. State governments, such as MD DNR, provide technical assistance and facilitation to communities to follow a process similar to this framework to create or solidify their vision of a working waterfront. However, the community is ultimately left with the hard task of transforming the vision into reality.

The knowledge and capacity of project advocates will be diverse – just like the scale and scope of projects that emerge from following this working waterfront framework. Advocates may be experienced or new small

business owners, NGOs, or schools. Alternatively, they may be developers, government agencies (local, county or state), or medium to large businesses. Regardless of their capability, the State Government has a role to play in assisting projects that emerge from its working waterfront initiative.

A State-established Working Waterfront Advisory Board could be instrumental in providing technical assistance to advocates and communities as they progress their WWF vision. The Advisory Board would be best placed in facilitating the knowledge transfer from community to community, project to project. Importantly, each project and the holistic vision a community holds for a working waterfront will have strong linkages to economic development, enhancing social welfare and capitalizing on natural assets. An Advisory Board would also be best placed to help advocates balance a project's design and implementation across the complex economic and policy objectives.

Cambridge Case Study

The City of Cambridge is a community in the process of transforming their waterfront. The goal of the community is to take advantage of the economic opportunities the Chesapeake Bay offers and develop a profitable and sustainable working waterfront community. With a population of 12,326 people and a median per capita personal income of $25,139, Cambridge qualifies as a Priority Funding Area, Enterprise Zone, and Historically Underutilized Business (HUB) Zone. Under these classifications Cambridge is eligible for many of the loans and grants offered by the Maryland Department of Business and Economic Development as well as other agencies and programs in Maryland.

Applying the framework for defining a working waterfront, as described above, is an important and necessary step in building a successful program. The Cambridge case study highlights a comprehensive process, but not a completed process. The projects and ideas highlighted throughout this case study were built from a long-term stakeholder engagement process, one-on-one interviews and EFC's own analysis. It is important that the City and its stakeholders continue to use this framework to generate project ideas and identify barriers and opportunities to build a sustainable plan.

A Brief History of Cambridge

Before the state of Cambridge's waterfront can be defined, Cambridge's interaction with the water and natural resources over time must be explained. The following is excerpted from a Self-Guided Walking Tour Brochure of Cambridge, which was recently updated by West End Citizens Association, Inc. and provided to EFC by Board Member, Jane Devlin.

"Cambridge, the county seat of Dorchester County, is one of the oldest towns in the state, having been settled in 1684. Located on the widely known Choptank River, the land that was to become Cambridge was part of the Choptank Indian Reservation. Touted by authors James Michener and John Barth, Cambridge is known for its lovely shaded streets, beautiful buildings, and rich maritime heritage. In Cambridge, the architectural landscape tells a story from early settlers who harvested the rich land and water, to our community's subsequent rise to affluence at the turn of the 20th century, to the quiet place we call home today.

Our development as a City was shaped by our abundance of natural resources and access by water. In the early 1700s farmers raised and sold profitable crops of tobacco and rapidly acquired wealth from the products of slave labor. Soon that class of farmers retired and settled in Cambridge to enjoy the comfort of town society. Trading ships from London and Liverpool began to dock in Cambridge bringing goods and serving as Dorchester County's major marketing point for tobacco, lumber, seafood, and muskrat pelts. The town developed slowly incorporating in 1794, while the wealthier of the town continued to live and prosper until the results of the Civil War.

By the mid-1800s the first large manufacturing industry was located on the east side of Cambridge Creek. Large lumber and flour mills were built there and supplied timber to the Central Pacific Railroad for building rail cars, in addition to packing thousands of barrels of flour.

This activity lead to shipbuilding on Cambridge Creek of large coastal vessels mostly made from local pine and oak. Skipjacks, bugeyes, schooners and log canoes were just a few vessels that local builders developed, in order to meet the needs of those who worked and traded on the Chesapeake Bay.

By the late 1800s Colonel James Wallace began packing oysters. He was the first to start raw shucking and steam packing of oysters in Cambridge. Cambridge's oyster industry was second only to that of Baltimore with over a million bushels of oysters being shucked annually. With the advent of the refrigerated railcar, oyster packers diversified and began to can fruits and vegetables. In 1911, Wallace's plant was sold to the Phillips Packing Company who grew to 25 locations in 5 states.

During the 1870s railroad and telegraph lines were established in addition to improved steamboat service with Baltimore. These developments led to a long period of prosperity for the City of Cambridge which was known as the "Queen City" on the Eastern Shore during this period. The homes that line High Street were owned by Governors, statesmen, lawyers, and other notable figures. The prosperity of this time is also reflected in the size and scale of our downtown area. Patrons from near and far hurried elbow to elbow to shop the many major department stores, restaurants, and pharmacies that lined the streets.

Since the departure of major employer Phillips Packing Company in the 1950s, Cambridge has experienced no significant growth. Cambridge is said to have one of the finest collections of historic buildings in the State of Maryland.

Today, Cambridge has embraced its past and takes pride in preserving and sharing its rich cultural and architectural history."

State of the Waterfront

Mapping the state of the waterfront followed a three-step process: (1) engage stakeholders; (2) understand their vision and goals for the waterfront; and (3) inventory the waterfront's assets.

The Cambridge case study highlighted the importance of bringing stakeholders to the table so that a comprehensive, fair and transparent process can take place. Involving the community early and often can set the stage for involvement throughout the process and help garner buy-in of the framework's outputs.

A stakeholder advisory committee was developed for this project. It consisted of members from the City, business community, tourism industry, fishing industry, citizen organizations and economic development to just name a few. This committee allowed the EFC to understand the history and current uses of the waterfront. It also allowed for discussion on future uses and helped uncover the value that the community places on certain features of its waterfront.

The second step developed an understanding of the City's vision and goals for its waterfront. The EFC Team reviewed the City's three main planning documents (Waterfront 2020 Vision Plan, Comprehensive Plan and the Regional/Urban Design Assistance Team Report) to establish a baseline of how the City and community viewed the waterfront and how they saw the waterfront evolving over time. While these plans showcased the waterfront's unique areas and identified potential opportunities, actions for implementation and a clear vision for the waterfront were lacking. **See Cambridge WWF definition discussion on page 19.**

Third, a broad assessment and inventory of the waterfront was completed. In addition to land use maps, this step asked stakeholders to identify important features of the waterfront. These features could be places, businesses, activities, and/or vistas. Stakeholders identified many distinct roles and functions for the waterfront rather than one unifying function. For example, they emphasized Cambridge is home to: one of the oldest crab-picking houses in the country, J.M. Claytons Seafood, Inc.; the second deepest port in the State of Maryland (Baltimore has the deepest); and numerous working boat marinas and yacht maintenance and repair facilities.

Figure 3 provides a visual of Cambridge's waterfront. It identifies the waterfront "zones" that resonated with the stakeholder committee. This step looked at the zones separately to deal with individual project ideas and holistically to visually see how each area connected to one another. Discussions suggested that Cambridge can better connect these zones to each other and the downtown - not just in how businesses

Figure 3. Aerial view: City of Cambridge waterfront with zone areas. Courtesy of Maryland Department of Natural Resources. Zones A) Rt. 50 bridge over the Choptank River and Dorchester County visitor center site; Zone B) Hospital site; Zone C) Sailwinds and Governor's Hall site; Zone D) Long Wharf Park and marina site; Zone E) (Cambridge Creek) J.M. Clayton's Seafood, county office building, Richardson Museum/Ruarke Boat Works, yacht maintenance and repair site; and Zone F) (Cambridge Creek) Docks, residential, boatyard and Cannery Park gateway site.

interact with one another but also how they are geographically connected. Stakeholder discussions also emphasized outdoor tourism that capitalizes on Cambridge's close proximity to many fishing piers, parks (county, city and state owned), as well as national wildlife management areas.

Opportunities and Barriers

Using the assessment from above, as well as the framework guidance, several opportunities and barriers for Cambridge were outlined in a systematic approach. Figures 4 and 5 present the tool that was used to think through the opportunities and barriers. This tool simply takes the preserve, enhance and introduce/create opportunities and systematically evaluates each through the perspective of the community, business and natural resources to identify barriers in the categories of physical, financial or political. This process must be completed for each perspective and barrier. Figure 4 uses the example of creating more open space. This opportunity was a priority for citizens and business owners in Cambridge. By cross-walking the opportunity, perspective and barrier it becomes easier to visualize the outcome and to begin discussing options for moving forward. Using this exercise for the City of Cambridge proved to be very helpful.
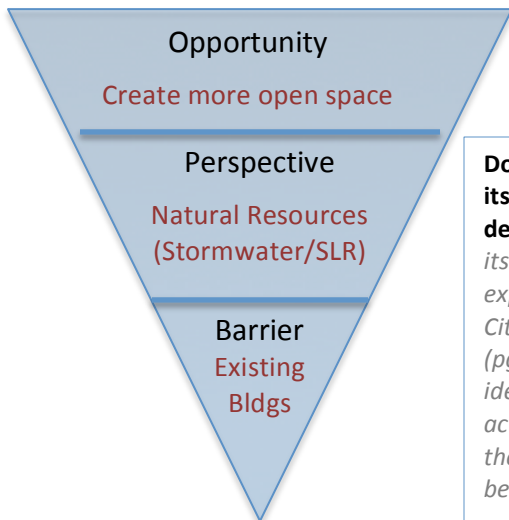
Figure 5 walks through the process using the opportunity enhancing oyster aquaculture in and around the City's waterfront. In the case of oyster aquaculture, lease bottom is restricted by the Maryland Department of the Environment (MDE) and DNR due to poor water quality (MDE harvestable waters and DNR leasable waters siting tools, accessed April 2015). Poor water quality represents a difficult challenge to overcome. However stakeholders maintain that the waterfront must support the town's mainstay of J.M. Clayton's Seafood Inc., numerous resident watermen harvesting wild oysters and crabs as well as oyster aquaculture sites around Cambridge. The importance of this aspect of the waterfront raises challenges to

finding a path forward. For example, from a community perspective, poor water quality may represent an opportunity for the City to think about how they currently reach out to the public who visit their waterfront to educate them about the oyster industry and better convey how poor water quality affects oysters in the Bay. A waterman (business) perspective points toward tourism opportunities centered on providing a waterman's experience.

One of most interesting aspects of this tool is its ability to help systematically think through "hot button" issues such as climate change. Building a sustainable working waterfronts program cannot be done without thinking about the changing climate and the resulting effects of how sea-level rise (SLR) can impact the waterfront. In Cambridge's case, a boutique hotel was suggested as something that should be considered to be built close to the waterfront but accessible to downtown. See Figure 6. Currently, downtown Cambridge lacks accommodations and most visitors who spend the night stay at the Hyatt, located across route 50. Additionally, while certain aspects of the waterfront are accessible by trail, some is not. The absence of continuous connectivity to downtown and the waterfront will inhibit the interaction that the community and visitors have with the water. Building close to the water, whether it is a building or a walking path, should factor in many perspectives, such as does this fit with how the community envisions the waterfront? Can the current infrastructure support the new structure? And, most importantly, is it resilient?

In this case, three different barriers were identified based on the three perspectives applied. In the case of the natural resources perspective and the sea-level rise barrier, understanding how structures should be built to withstand frequent flooding and sea-level rise will factor heavily into the feasibility of such projects.

Figure 4. Three perspectives – community, business, and natural resources – applied to a physical barrier, in this case an existing building.
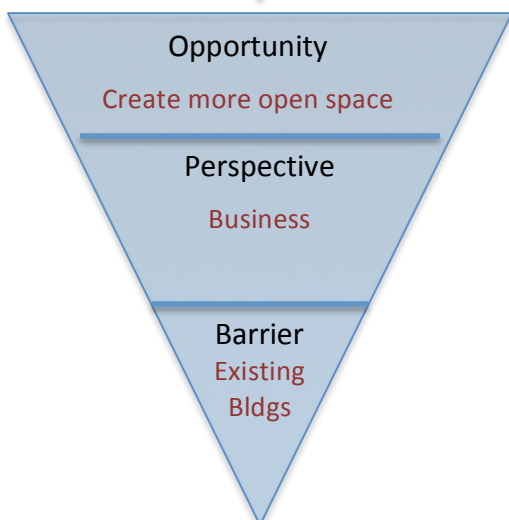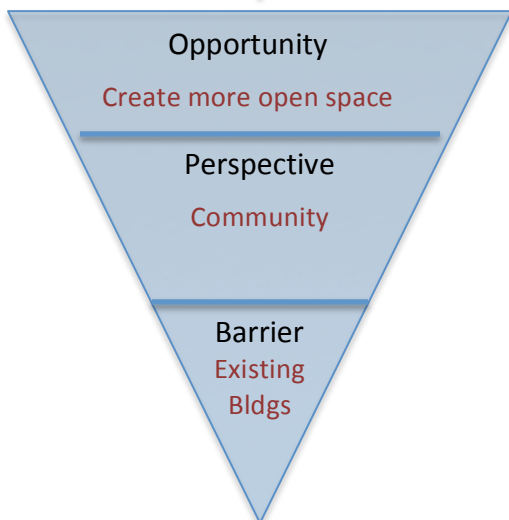
Figure 5. Three perspectives – community, business, and natural resources – applied to a physical barrier, in this case poor water quality.

Opportunity

Create more open space

Perspective

Natural Resources (Stormwater/SLR)

Barrier

Existing Bldgs

Does the City of Cambridge have its own working waterfronts definition? *The City did not create its own definition and is in the exploratory phase. Currently, the City uses the national definition (pg. 7) to guide the process in identifying opportunities and action. Once the City completes the framework, the definition can be revisited.*

Opportunity

Enhance aquaculture industry in Cambridge

Perspective

Natural Resources

Barrier

Poor water quality

Opportunity

Create more open space

Perspective

Community

Barrier

Existing Bldgs

Opportunity

Enhance aquaculture industry in Cambridge

Perspective

Community

Barrier

Poor water quality

Opportunity

Create more open space

Perspective

Business

Barrier

Existing Bldgs

Opportunity

Enhance aquaculture industry in Cambridge
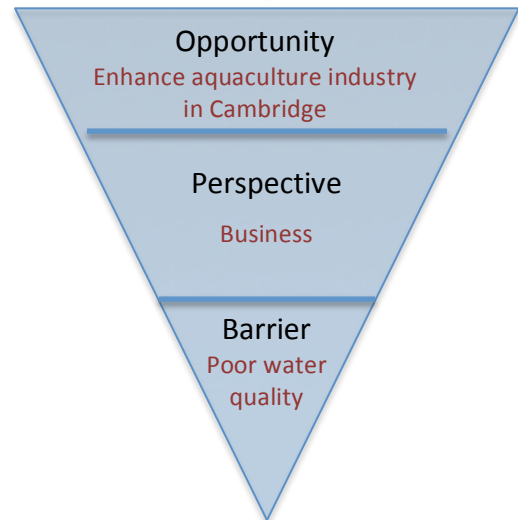
Perspective

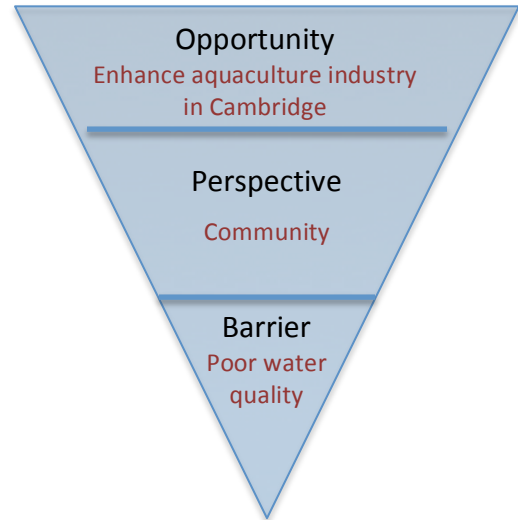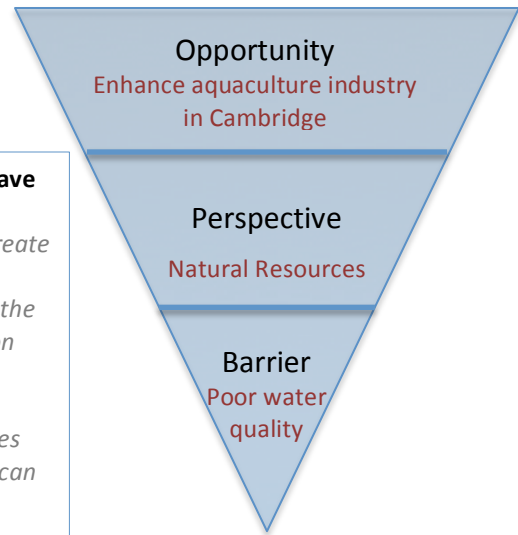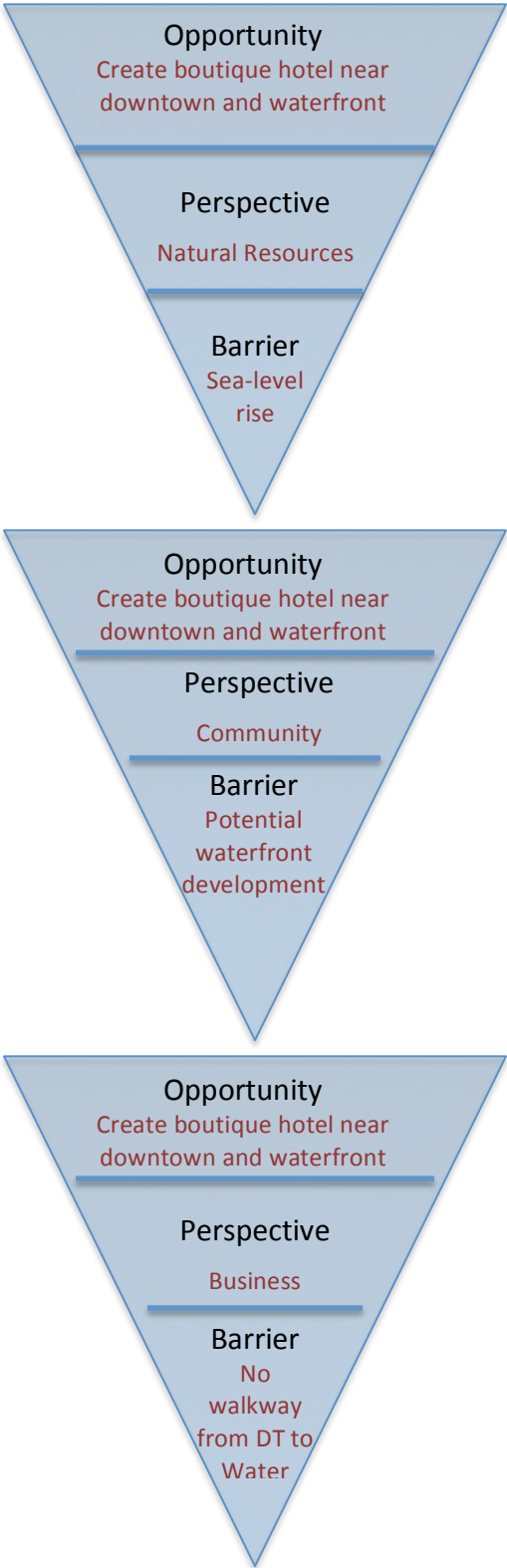Business

Barrier

Poor water quality

Figure 6. Three perspectives of community, business, and natural resources applied to a physical barrier of no dedicated walkway from downtown to the waterfront.

Opportunity
Create boutique hotel near downtown and waterfront

Perspective
Natural Resources

Barrier
Sea-level rise

Opportunity
Create boutique hotel near downtown and waterfront

Perspective
Community

Barrier
Potential waterfront development

Opportunity
Create boutique hotel near downtown and waterfront

Perspective
Business

Barrier
No walkway from DT to Water

Feasibility

Figures 4, 5 and 6 all set in place a structure for evaluating the feasibility of the specific project that is being considered. Once the perspective has been applied and the barrier identified for each opportunity, it is important to apply the lenses of financial, public and political realities with a focus on the community to better understand the feasibility. Cambridge is not unique. It shares hurdles and challenges that are similar to other communities when approving new programs and projects. Figure 7 shows the process for how feasibility should be evaluated using the example of creating more open space along Cambridge's waterfront. At this stage, the framework applies a "red" light, "yellow" light or "green" light.

Resourcing

With any waterfront initiative, identifying potential sources of funding and technical support for each "green-lighted" opportunity is important. However in this framework, green-lighted opportunities will often be in their early stages of conceptualization and design. In other words, they will typically be several steps away from being articulated to a level of detail that supports funding application.

However, this step in the framework is an iterative process. The opportunities that emerge from this framework will intersect with a broad range of programmatic objectives, such as tourism, economic development, small business, green buildings and open space. Each of these areas is a potential pathway to accessing technical assistance and funding. The green-lighted opportunities can be further developed with these potential funding sources in mind. For example, the concept of a boutique hotel emerged from the working waterfront framework. Yet, it is more likely to find funding from sources outside of a WWF program. Its benefits align with several policy agendas and state initiatives: job creation, workforce training, green buildings, tourism.

Figure 7. Feasibility of the project must systematically address financial, public and political and long-term challenges such as increased storm frequency and sea level rise due to climate change.
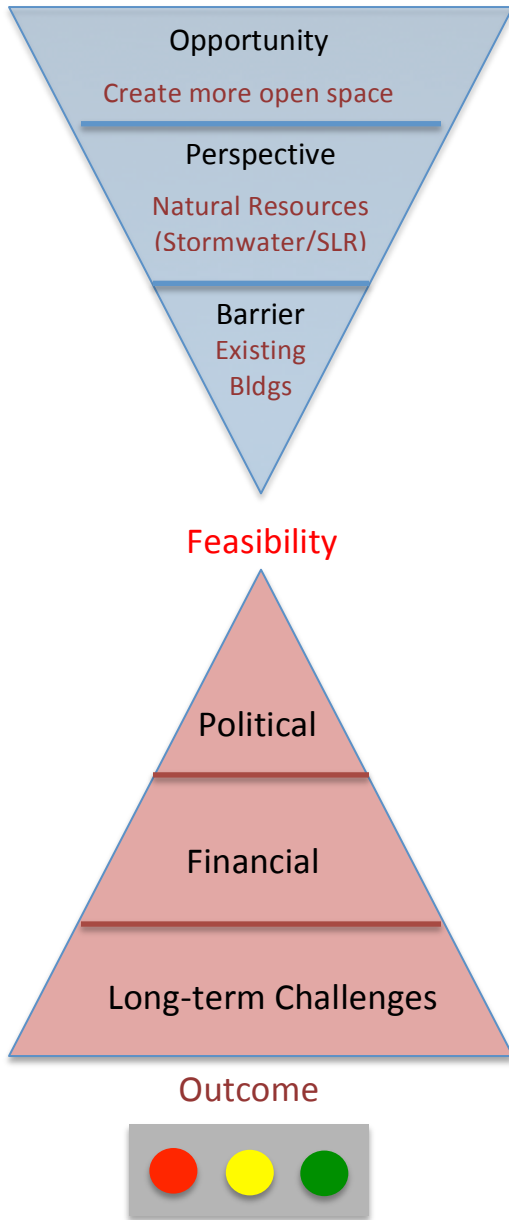
These avenues of funding also align with the City of Cambridge's status as a Priority Funding Area, Enterprise Zone, and Historically Underutilized Business (HUB) Zone. Under these classifications, Cambridge is eligible for many loans and grants offered by the Maryland Department of Business and Economic

Development. Additionally these loans and grant opportunities can be coupled with the Department's training and assistance on hospitality. Depending upon how the development proceeds, it can take advantage of loans, grants, and tax credits for energy efficiency, open space, and green infrastructure.

See Appendix 1 for a Maryland-specific funding and financing resource list.

Business Plan

The Cambridge case study did not get to this point in the framework. As Cambridge continues to develop its list of "green lighted" opportunities, this step will help guide how each moves forward.

Developing a business plan for priority projects will build on the information gained from analyzing the barriers and resourcing opportunities and stakeholder perspectives. This information will be organized around the following elements:

- **Project Description**. The project description should be clear, concrete, and succinct;
- **Project owner**. Define roles of project partners and identify who owns the project's assets and/or takes financial responsibility for the project;
- **Project need**. This component makes the case for why there's a need, e.g., understand how the project fits into the regional, local economy/setting and who the project services;
- **Project viability**. Assess the return to realizing an opportunity (e.g., revenue stream, number of users) and acknowledge the barriers and challenge and provide a strategy for overcoming or mitigating their effects;
- **Project resource requirements**. Develop an estimate of capital and services requirements to support the project's realization; and

- **Project timeline**. Develop a timeline with milestones to track progress and development.

An important challenge to this step will be finding an organization that takes ownership of each "green lighted" opportunity to develop this business plan. The opportunities are a mix of public and private initiatives.

These projects emerged from a DNR-led initiative in cooperation with Cambridge's advisory group. Continuing the work will require members of this collaboration to decide who will continue the effort.

Once developed, these business plans will be instrumental in courting project advocates be it government, an NGO, a business, a consortium, or private citizen(s). Notably, the advocate may not ultimately be the owner.

Recommendations

Recommendations from this second phase of advancing a working waterfronts program are two-fold: 1) actions that DNR should consider at the State level; and 2) actions that the City of Cambridge should continue as to not lose momentum on the progress that they have made thus far.

State-level

Given the importance of robust working waterfronts to the State – both economically and culturally – the State of Maryland has a vital role to play in managing a Working Waterfronts (WWF) Program. Recommendations to support this role are as follows.

- **Formalize** a Working Waterfronts Program within the Department of Natural Resources Chesapeake and Coastal Service (CCS). While a WWF program is implemented at a community level, it should be coordinated at a state-level to create synergies and scale for waterfront activities across communities and with resources channeled into high value or high priority areas.

- **Jump-start** community working waterfront programs by providing resources such as technical assistance, financial, planning and capacity where possible. Communities face resource and capacity constraints. For many small communities, addressing its WWF can come at the cost of diverting resources from other programmatic needs (e.g., revitalizing its downtown) despite the complementary role that a healthy working waterfront may play. State engagement can be instrumental in assisting communities in integrating a working waterfront as a priority in its planning and development efforts.
- **Maintain and expand** the ongoing state-level Working Waterfronts Advisory Committee to provide valuable guidance to CCS as well as to help identify waterfront areas of the state of that may be good candidates to receive assistance from state and local resources.
- **Utilize** the 6-step framework, discussed above. When working with a waterfront community, the framework is a reasonable assurance tool for resources expended on the project, whether financial or otherwise. The framework is flexible and relevant at multiple scales (from local to state-wide).

City of Cambridge

Piloting the framework with the City of Cambridge highlighted several important elements to pursuing a WWF program.

- **Maintain** the current Cambridge Stakeholder Advisory Committee for working waterfronts to guide in the development of a sustainable program. Engagement from a diversity of perspectives is paramount. The Advisory Committee provided a wealth of knowledge and insight to connect waterfront ideas to its history as well as current needs.
- **Continue** the effort on identifying opportunities and barriers for waterfront projects to advance the 6-step framework with the ultimate goal of creating a

"business plan". The opportunities that emerged from the consultations are in various states of refinement. However, the ideas are disconnected and following the process will help organize the ideas, and direct efforts in a transparent and more formal approach.

APPENDICES

Appendix 1: Resource Guide

While opportunities emerged from a working waterfront focus, the Cambridge case study highlights how a working waterfront intersects and complements a broad array of social and policy initiatives. These intersections represent one way of identifying potential sources of funding and assistance.

Some of the most likely intersections are:

- Economic development: tourism, small business
- Community development: jobs, housing, education, cultural heritage
- Natural resources: resource-based industry development, rural industry initiatives, parks and reserves, open space, trails
- Infrastructure: transport, maritime

The following provides a beginning list of loans, grants and subsidy programs that may provide funding opportunities from State sources.

Economic Development

A starting point is the State's website: http://business.maryland.gov/.

The Maryland Department of Business and Economic Development (DBED) has several programs, all with different qualifying criteria.

Maryland Economic Development Assistance Authority and Fund (MEDAAF)

- *Objective*: Provides flexible and broad-based grants, loans, and investments to support economic development initiatives. Uses include business attraction and retention, infrastructure support, brownfield redevelopment, arts and entertainment districts, and local strategic planning.
- *Benefits*: Five financing capabilities are offered: strategic economic development, local economic development, direct assistance to local jurisdiction, regional or local revolving loan fund, and special purpose programs.
- *Eligibility*: Projects within Priority Funding Areas and eligible industry sectors.

Economic Development Opportunities Fund (Sunny Day)

- *Objective*: Supports extraordinary economic development opportunities that create and retain employment as well as create significant capital investment. Projects must generate significant jobs in areas of high unemployment; they are evaluated on a competitive basis.
- *Eligibility*: Participants must provide a minimum capital investment of at least five times the amount of the Sunny Day assistance. Applicants must possess a strong balance sheet and be credit worthy.

State Small Business Credit Initiative (SSBCI)

- *Objective*: SSBCI is a component of the federal Small Business jobs Act of 2010 that created $1.5 billion in direct funding of state credit enhancement programs. Within the act, Maryland is allocated a total of $23 million available in three installments subject to performance
- *Eligibility*: The funds must target an average borrower size of 500 employees or less, and loans averaging $5 million.

ADVANCE Maryland

- *Objective*: In partnership with the National Center for Economic Gardening, ADVANCE Maryland is a program for second stage entrepreneurs and helps businesses address their unique challenges and identify new opportunities. The program provides a research team to support business opportunity analysis.
- *Eligibility*: Be a for-profit, privately-held company headquartered in Maryland. Generate annual revenue or working capital of between $1million and $50 million. Employ 10 to 99 full time employees. Demonstrate growth or services beyond the local area to regional, national or global markets. Be referred by a participating economic development agency or Entrepreneur Support Organization.

Notably, assistance for economic development can also be dependent upon the business owner category, such as small business, female and minority owned or veteran. For example, the Maryland Department of Veterans Affairs offers no interest loans for small businesses owned by veterans.

Military Personnel and Veteran-owned Small Business Loan Program (MPVSBLP)

- *Objective*: Provides no interest loans for businesses owned by military reservists, veterans, National Guard personnel and for small businesses that employ such persons.
- *Benefits*: No interest loans ranging from $1,000 to $50,000. Loan maturity will be from one to eight years. The loan repayment period will not exceed the useful life expectancy of the equipment to be purchased.
- *Eligibility*: Applicants include businesses owned by military reservists and National Guard members called to active duty, and small businesses with fewer that 50 employees.
- For military personnel called to active duty, funds must be used for payment of identifiable costs of the business, including general business expenses, which result from the call to active duty. The loan may be made at anytime from the date of the call to duty through the period ending six months after the end of the individual's active duty
- For service-disabled veterans the purpose of the program is to assist with the cost of making the home, vehicle, or place of employment accessible and to defray other necessary expenses.

Community Development

Community development is closely linked to economic development. However, it often has some social capital component looking at the health and revitalization of a community or area rather then focused on a particular business. Maryland DBED and Maryland Department of Housing and Community Develop will often be the starting points for identifying this category of funding.

Community Development Block Grant (CDBG)

- *Objective*: provides funding to commercial and industrial economic development projects. Funds are dispersed to a local jurisdiction in the form of a conditional grant and then used for public improvements or loaned to a business.
- *Benefits*: The use of funds is broad and includes the acquisition of fixed assets, infrastructure, and feasibility studies.
- *Eligibility*: Projects must create jobs with the majority targeted to individuals of low to moderate income, or eliminate blight conditions that impede commercial and industrial development.
- *Organization*: Maryland Department of Business and Economic Development

Base Realignment and Consolidation Revitalization and Incentive Zone (BRAC)

- *Objective*: Focuses growth in areas that are already designated for growth; provide local governments with financial assistance for public infrastructure in these well-defined areas; and align other state resources and programs to local governments and businesses located in the BRAC zones.
- *Benefits*: Local jurisdiction receives: payment of 100% of state real property tax increment on quality properties; payment of 50% of the local jurisdiction's real property tax increment on qualified properties; and priority consideration for financing assistance for projects or operations from various state agencies. Funds can be used to pay back bonds, including tax Increment Financing bonds, issued for infrastructure improvements.
- *Eligibility*: County Applicant- A county may apply for designation of a BRAC Zone, but if any portion of the area is within a municipal corporation, must obtain municipal consent.
- Municipal Applicant- A municipality may apply for designation of a BRAC Zone but priority consideration will be given to municipal applicants that receive County support.
- Two or more political subdivisions may jointly apply for designation of a BRAC Zone if portions of the proposed area are within each of their common boundaries
- *Organization*: Maryland Department of Business and Economic Development
- *Timeline*: Deadlines are April 15th and October 15th each year.

Maryland Industrial Development Financing Authority (MIDFA)

- *Objective*: Encourages private sector financing in economic development projects located in Priority Finding Areas.
- *Benefits*: Provides private activity revenue bonds and credit insurance. Bonds include taxable bonds and tax-exempt bonds. Credit insurance includes the conventional program, which insures up to 80%, not to exceed $2.5 million of transaction made by a financial institution. Export transactions may be insured up to 90%. Credit insurance also includes a bond program, which insures bonds up to 100%, not to exceed $7.5 million of taxable or tax exempt bonds.
- *Eligibility:* MIDAF can be used for land acquisition, building acquisition, construction costs, machinery and equipment, furniture and fixtures, leasehold improvements, certain eligible "soft costs," energy related projects, and working capital.

- Organizations must be commercial and industrial businesses in a Priority Funding Area, manufacturers, non-profit entities, and day care providers.
- *Organization*: Maryland Department of Business and Economic Development

Maryland Capital Access Program

- *Objective*: Provide revitalization resources to support the growth and success of small businesses in Priority Funding Areas throughout the State of Maryland.
- *Benefits*: This is a credit enhancement program that enables private lenders to establish a loan loss reserve fund from fees paid by lenders, borrowers, and the State of Maryland. Communities that have small businesses receiving financing through loans enrolled will benefit from new or expanded services provided by the small businesses. The lender underwrites and enrolls an appropriate loan (or portion of a loan). Enrolled amounts may range from $10,000 to $1,000,000.
- *Eligibility:* Borrowers must be located in a Maryland Priority Funding Area.
- *Organization:* Maryland Department of Housing and Community Development

National Park Service Maritime Heritage Grants
- *Objective:* Funding available for education or preservation projects
- *Benefits:* The Grants Program is designed to support maritime heritage education projects and preservation projects which address different types of education or preservation activities focusing on various historic maritime resources There are seven basic categories of Education Project activities and four basic categories of Preservation Project activities. Education and Preservation project categories serve as the basic guideline for identifying the types of projects and maritime resources which are eligible for funding considerations and for which proposals may be submitted.
- *Eligibility*: Any State, Federally-recognized Tribal, or local government, or private nonprofit organization may apply for grants to support their maritime heritage education or preservation activities.
- *Organization:* National Park Service

Natural Resources

This category of resources focuses on natural resource based commercial and industry activity. It can be fisheries and aquatic based or as a result of the community being located in a rural area.

Maryland Agricultural and Resource Based Industry Development Corporation (MARBICO) is a key source of funding. Examples of programs are below.

Maryland Resource-Based Industry Financing Fund Loan (MRBIFF)

- *Objective*: The MRBIFF program makes available low-interest loans to qualified applicants for the purchase of land and capital equipment for business activities. Money may also be used to help finance environmental or water-quality enhancement projects.

- *Benefits*: Can provide supplemental loan proceeds of up to 100% of amount of the commercial lender financing. The maximum loan amount is $200,00 for acquisition of equipment and fixed assets; $400,000 for real estate purchases and renewable energy projects; and $ 600,000 for large-scale food/fiber processing projects. Interests rates are 3.25% APR for the first 3 years, 4.5% for the next three years, and 5.75% for the remaining term of the loan.
- *Timeline:* Loan applications are reviewed on an ongoing, funds-available basis. All applicants will receive a response within 30 days.

Maryland Vineyard Planting Loan Fund (MVPLF)

- *Objective*: Helps meet the unique financing needs of Maryland's rural landowners wanting to plant vineyards and develop wineries. A major aim of this program is to increase the acerage of viable commercial vineyards in Maryland.
- *Benefits*: The program makes available low-interest loans of $10,000- $100,000 to qualified applicants. The loan term extends to a maximum of 10 years.
- There are two interest rate options (1) The Adjustable Interest and Principal Payments with 3% APR for the first three years, then adjusting to 5% APR for the balance of the loan term (2) Interest-Only Payments for First Three Years; P&I Thereafter with 5% APR (fixed rate) during the entire term of the loan, but the borrower may elect to make interest-only payments during the first 3 years.
- *Eligibility*: Endorsement Required
- *Timeline:* Loan applications are reviewed on an ongoing, funds-available basis. All applicants will receive a response within 30 days.

Forestry Equipment and Working Capital Loan (FEWCL)

- *Objective*: Offers low-interest loans to Maryland's forest Products businesses with respect to working capital and equipment purchases.
- *Benefits*: Loan interest does not exceed 10% ARP and the maximum loan amount is $150,000.
- *Eligibility*: A letter of referral from a commercial leader is required.
- *Timeline*: Loan applications are reviewed on an ongoing, funds-available basis. All applicants will receive a response within 30 days.

Rural Business Energy Efficiency Program

- *Objective*: Facilitates the purchase of equipment or technology related to lowering business-related energy consumption.
- *Benefits*: Grants of up to 10% (not to exceed $1,000) of the cost of purchasing and installing equipment technology related to lowering business-related energy consumption are offered.
- *Eligibility*: Must be a farm or rural business and provide a report by a qualified third party energy consultant.
- *Timeline*: Loan applications are reviewed on an ongoing, funds-available basis. All applicants will receive a response within 30 days.

At the federal level, the US Department of Agriculture also offers a number of grants and loan programs. A few examples are listed below.

Maryland Value Added Producer Matching Grant Program (MVAPMG)

- *Objective*: Established to make grants available to those pursuing financial support from the U.S. Department of Agriculture's Value Added Producer Grants Program.
- *Benefits*: Grant amount is set at up to 15% of the matching funds required under the USDA VAPG, with a maximum of $15,000 for planning grants and $30,000 for working capital grants.
- *Eligibility*: Applicants must be an independent producer, agricultural producer group, farmer or ranch cooperative, or majority-controlled producer-based business ventures that have applied for a USDA VAPG. In addition, applicants must be making a product that is "value added," A value-added product has an incremental value realized by the producer as a result of: 1) change in physical state; 2) differentiated production or marketing; 3) product segregation; and 4) economic benefit realized from the production of farm-or ranch-based renewable energy. MARBICO MVAPMG monetary awards will only be provided to those applicants that are actually successful in obtaining a USDA VAPG.
- *Organization*: Maryland Agricultural and Resource Based Industry Development Corporation (MARBICO)
- *Timeline*: the MARBICO deadline is two weeks prior to the federal USDA VAPG deadline.

U.S. Department of Agriculture (USDA) Intermediary Relending Program (IRP)

- *Objective*: The purpose of the IRP program is to alleviate poverty and increase economic activity and employment in rural activities. Loans are provided to local organizations (Intermediaries) for the establishment of revolving loan funds.
- *Benefits*: Provides 1% low interest loans to local intermediaries that re-lend to businesses and for community development projects in rural communities. Maximum term is 30 years and interest-only payments may be permitted for the first 3 years. Up to $2 million in funds for the first financing is available to intermediaries. Up to $1 million is available thereafter. The maximum loan amount available to ultimate recipients is $250,000, or 75% of the total cost of the project.
- *Eligibility*: The following are eligible to be an intermediary lender: nonprofits and cooperatives, federally-recognized tribes, and public agencies. The following are eligible to apply for a loan from the intermediary lender as an ultimate recipient: public or private organizations, or other legal entities. These entities are only eligible given tat majority ownership is held by U.S. citizens or permanent residents; the applicant is unable to obtain affordable commercial financing for the project elsewhere; are located in an eligible rural area; the applicant has no legal or financial interest or influence over the intermediary.

U.S. Department of Agriculture (USDA) Rural Energy for America Program Grants (REAP)

- *Objective*: This program helps increase American energy independence by increasing the private sector supply of renewable energy and decreasing the demand for energy through energy

efficiency improvements. The program provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses to purchase or install renewable energy systems or make energy efficiency improvements.

- *Benefits:* Loan guarantees on loans up to 75% of eligible project costs, grants for up to 25% of total eligible project costs, and combined grant and loan guarantee funding up to 75% of total eligible project costs are available.
- The loan guarantee terms require the loan to by valued at a minimum of $5,000 and maximum of $25 million.
- The renewable energy system grants range from $2,500 to $500,000. The energy efficiency grants range from $1,500 to $250,000.
- *Eligibility:* Agricultural producers with at least 50% of gross income coming from agricultural operations, and small businesses in eligible rural areas may apply.

Maryland Shellfish Aquaculture Loan Fund

- *Objective:* The Maryland Department of Natural Resources (DNR) has formed a partnership with the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) to provide affordable financing to watermen and other parties who want to start or expand commercial shellfish aquaculture operations in Maryland.
- *Benefits:* Maryland's aquaculture loan program is a subsidized program with all principal payments returning to a revolving fund to support future rounds of future funding. The loan program also offers a partial loan forgiveness element for borrowers meeting certain performance conditions. MARBIDCO is pricing the loans at a fixed annual interest rate not to exceed 5%.
- *Eligibility:* Persons holding State water column leases (or who have applied for water column leases) are eligible to apply, although some funding is limited to holders of a tidal fisheries license. In addition, all applicants must have production and business plans that demonstrate the financial feasibility of the planned aquaculture operation.
- *Organization:* Maryland Department of Natural Resources and the Maryland Agricultural and Resource-Based Industry Development Corporation.

Physical Infrastructure

Waterfronts have high infrastructure needs given it role as an access point to the water or as a connector in a transportation hub. Loans and grants supporting the infrastructure component of a waterfront initiative are spread across several agencies. The following are examples.

Maryland Economic Adjustment Fund (MEAF)

- *Objective*: Assists business entities in the state with modernization of manufacturing operations, development of commercial applications for technology, and exploring and entering new markets.

- *Benefits*: Funds can be used for working capital machinery and equipment, building renovations, real estate acquisitions, and site improvements.
- *Eligibility*: Eligible businesses include manufacturers, wholesalers, service companies, and skilled trades. Applicants must demonstrate credit worthiness, ability to repay the obligation, and an inability to obtain financing on affordable terms through normal lending channels.
- *Organization*: Maryland Department of Business and Economic Development

Maryland Small Business Development Financing Authority (MSBDFA)

- *Objective*: Provides financing for small businesses that are not able to qualify for financing from private lending institutions or owned by socially and economically disadvantaged persons.
- *Benefits*: A private contractor manages the four MSBDFA components and DBED provides financing for the approved small business: contracting financing program, equity participation program, long term guaranty program, surety bonding program.
- MSBDFA uses include working capital, supplies and materials, machinery and equipment acquisition, land acquisition or real estate improvements. Other uses include the purchase of an existing franchise, construction or renovation and franchise fees or obtaining bid, performance and payment bonds for contracts, which receive the majority of their funding from federal, state or local government.
- *Eligibility:* Clients include all small businesses unable to obtain adequate financing on reasonable terms through normal channels.
- *Organization:* Meridian Management Group, Inc.

USFWS Boating Infrastructure Grant Program

- *Objective*: The Boating Infrastructure Grant Program (BIG) provides grant funds to the states, the District of Columbia and insular areas to construct, renovate, and maintain tie-up facilities with features for transient boaters in vessels 26 feet or more in length, and to produce and distribute information and educational materials about the program.
- *Benefits*: The BIG Program includes two funding tiers, Tier One (non-competitive) and Tier Two (nationally competitive). Under Tier One each state, the D.C. and insular area may receive funding for eligible projects up to $200,000 annually. Tier Two funds are made available through a nationally competitive process. Tier Two proposals received are reviewed, evaluated and ranked by a national panel with the final decision for funding made by the Director of the U.S. Fish and Wildlife Service.
- *Eligibility*: The governmental agency designated by each respective governor is eligible to participate in the BIG Program. The governmental agency may partner with local governments, private marinas and others to fund eligible projects.
- *Organization*: US Fish and Wildlife Service

Waterway Improvement Fund
- *Objective*: The Waterway Improvement Fund was established in 1966 (Annotated Code of Maryland Sec. 8-707 of the State Boat Act) for the purpose of funding projects which improve

and promote the recreational and commercial capabilities, conditions and safety of Maryland's waterways for the benefit of the general boating public.

- *Eligibility:* Local Governments
- *Organization:* Maryland Department of Natural Resources

Technical Tools
- Maryland DNR Coastal Atlas Working Waterfronts Layer
  http://dnr.maryland.gov/ccs/coastalatlas/
- National Working Waterfront Network Toolbox
  http://www.wateraccessus.com/index.html

Appendix 2: Cambridge Opportunity Zone Map

	Zone A Route 50 Bridge and Visitor Center	Zone B Hospital Site and Boat Ramp	Zone C Sailwinds at Governor's Hall	Zone D Long Wharf and City Marina	Zone E J.M. Clayton, Richardson Mus. and Draw Bridge	Zone F Back of Cambridge Creek, Docks, Cannery Park
Dominant Zone Activity	Gateway to City / Recreation	Recreation	Recreation	Recreation / Commercial	Commercial	Recreation / Commercial
Preserve		• Boat Ramp				
Enhance	• Gateway into the City • Amphitheater • Beach access		• Reimagine Sailwinds Property • Bulkhead repair at Sailwinds/Gov Hall	• City Marina improvements • Bulkhead repair at Long Wharf	• Yacht Maintenance • J.M. Clayton Seafood • Draw Bridge • Richardson property • Repair bulkhead at J.M. Clayton	• Docks for working boats • Gateway to Cannery Park
Introduce		• Hospital Site – expand amphitheater and open space for events				• Boat building at Richardson