

BRAC turns Harford Co. into a regional bright spot

by Danielle Ulman

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While commercial construction slowed to a trickle and office vacancy rates climbed statewide in 2009, one county in particular prepared to meet a growing need for high-quality office space.

The first round of military workers from the Base Realignment and Closure consolidations is expected in Harford County next fall, creating a flurry of development activity in and around Aberdeen Proving Ground and an economic bright spot for the state.

Economists are predicting that recovery from the recession will be slow, with job losses continuing through the first half of 2010 while sectors such as construction, retail, transportation and financial services continue to struggle.

"Maryland does have one saving grace, and that's with BRAC," said Daraius Irani, director of the Regional Economic Studies Institute's Applied Economics and Human Services group at Towson University.

Maryland estimates that 60,000 BRAC and BRAC-related jobs will be transplanted here, with the majority going to Aberdeen, Fort George G. Meade in Anne Arundel County and the National Naval Medical Center in Montgomery County, as part of the government's effort to consolidate its military installations.

When the government decided to move thousands of military jobs to the state in 2005, Maryland thought it had won big. Now, as the nation works to pull out of a deep and long recession, economists said BRAC movements could not come at a better time.

In recent history, Maryland has been a "lucky" state, avoiding the harshest downturns, with the exception of the 1991 recession, said Richard Clinch, director of economic development for the Jacob France Institute at the University of Baltimore. The state missed a lot of the pain of the 2001 recession, he said, because its manufacturing industry had already declined.

"Just as this strange recovery is going to start, which no one knows what it's going to be, BRAC is going to come along and bring us jobs," he said.

Aside from federal stimulus money spent on construction projects, the only reason that the "floor hasn't completely dropped out" on commercial construction is because BRAC has created an "artificial demand" for it, Clinch said.

In the pipeline

According to a September report from the Governor's Workforce Investment Board, the BRAC construction pipeline includes 6.9 million square feet of space on the bases. Add to that another 8.4 million square feet of off-base office space projected through 2017.

In initial projections, 30 percent of people whose jobs were being shifted from New Jersey and other parts of the county were expected to move with BRAC and the rest of the jobs would be filled locally. But the recession has changed those numbers, Irani said.

What's unknown is whether those people will move to Maryland or commute.



Construction is in progress at the North Gate Business Park in Harford County, at the north entrance to Aberdeen Proving Ground.

"Now with the economy we're seeing about 50 percent of people are going to be moving with the jobs," he said. "You might see people who were on the fence about coming, commute down and rent in the area and then go back to New Jersey on the weekends."

The Maryland Chamber of Commerce, the O'Malley-Brown administration and county governments are hoping that most people will decide to relocate to Maryland, said Kathleen Snyder, president and CEO of the chamber.

"If they're Maryland residents they would be paying Maryland income tax, sales tax, property tax, corporate income tax," she said. "What remains to be seen is how many people will actually move to Maryland because of the housing market. We're being told some people may telecommute from their homes in Virginia and elsewhere."

Perhaps one unexpected impact of BRAC is the relocation of several businesses not related to BRAC. Irani said many of them are federal contractors that want to be close to government agencies to stay on their radar.

Andrews Air Force Base went from 400 jobs to 1,000 jobs, an increase that Irani said was not BRAC related. Government contracting firm 3Di Technologies, which manages satellite communications networks, decided to move its business from Easton to the Fort Meade area to be closer to its clients.

"[BRAC is] great, but there's also a non-BRAC, which is as large if not larger than BRAC in some cases," Irani said. "Having these services tend to attract other services that are like or similar. It's a real great way to get a high concentration of skilled workers who can attract other businesses."

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