

DBED Meeting Summary  
StateStat website, May 7, 2010

**Agency:** DBED

**Date of Meeting:** April 30, 2010

Following is a summary of issues discussed at the DBED Stat on April 30, 2010. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

**Governor's Delivery Unit (GDU) Updates**

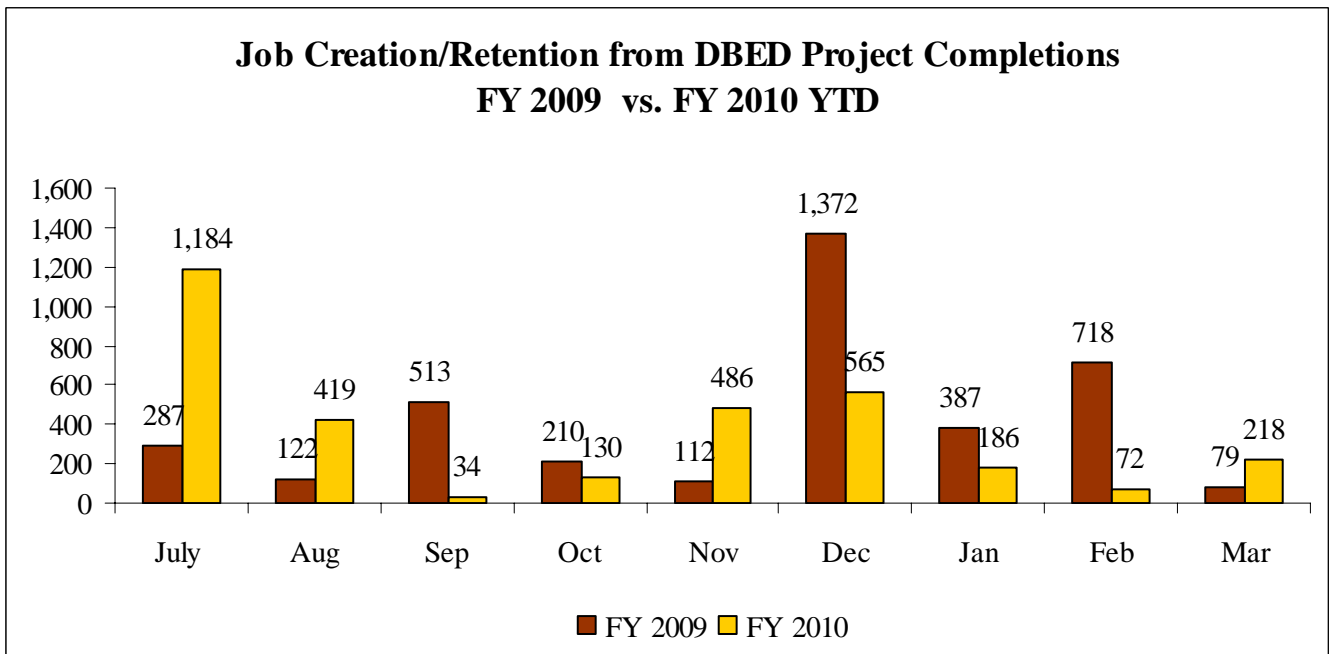
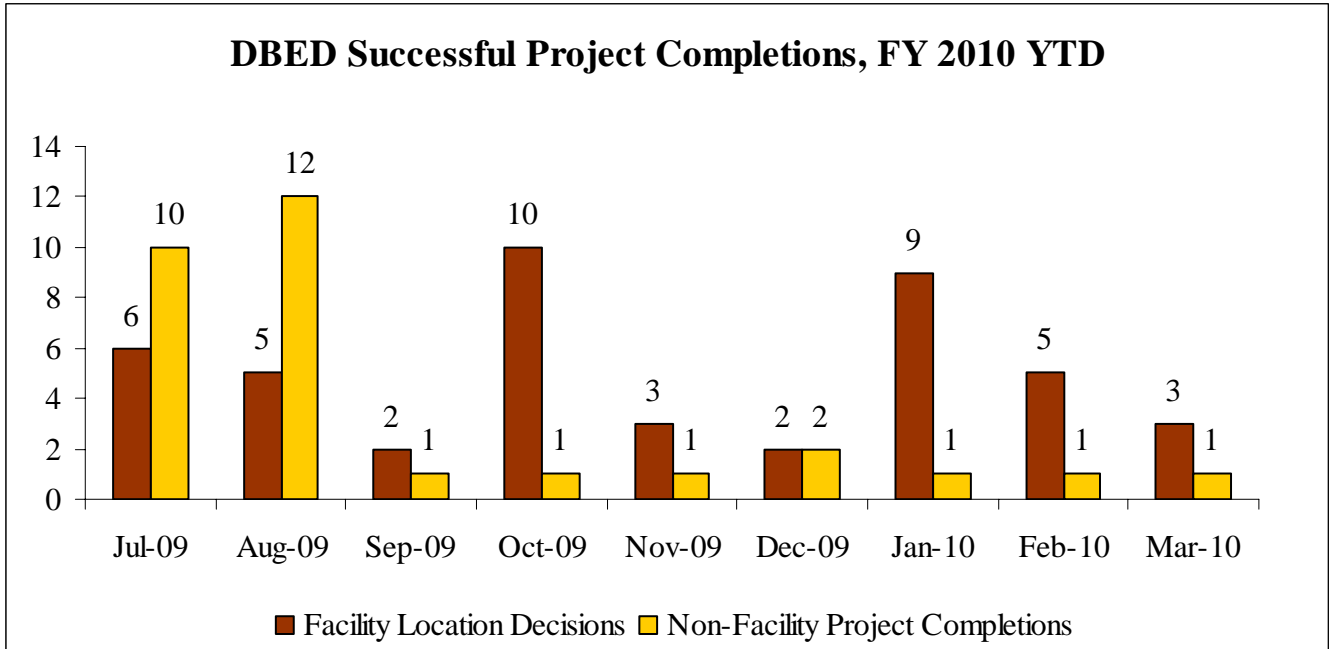
- **Job Creation and Recovery Tax Credit.** The Job Creation and Recovery Tax Credit, passed by the General Assembly and signed into law by Governor O'Malley provides a \$5,000 tax credit to businesses who hire individuals who are currently unemployed. The Department of Labor, Licensing and Regulation (DLLR) manages the program. DBED expects approximately 4,000 jobs to be created as a result of the tax credit.

The Department noted that as of the meeting, 45 individuals had been hired as a result of the tax credit at 28 employers. The Department also discussed its efforts to reach out on the tax credit and promote it to businesses.

<b>Administration (GDU) Goal I: Create, Retain or Place 250,000 Jobs by End of 2012</b>					
<b>Source/ Action</b>	<b>2012 Estimated</b>		<b>Progress to Date</b>		<b>%</b>
	<b>Created</b>	<b>Retained</b>	<b>Created</b>	<b>Retained</b>	<b>Completed</b>
Job Creation and Recovery Tax Credit	4,000				

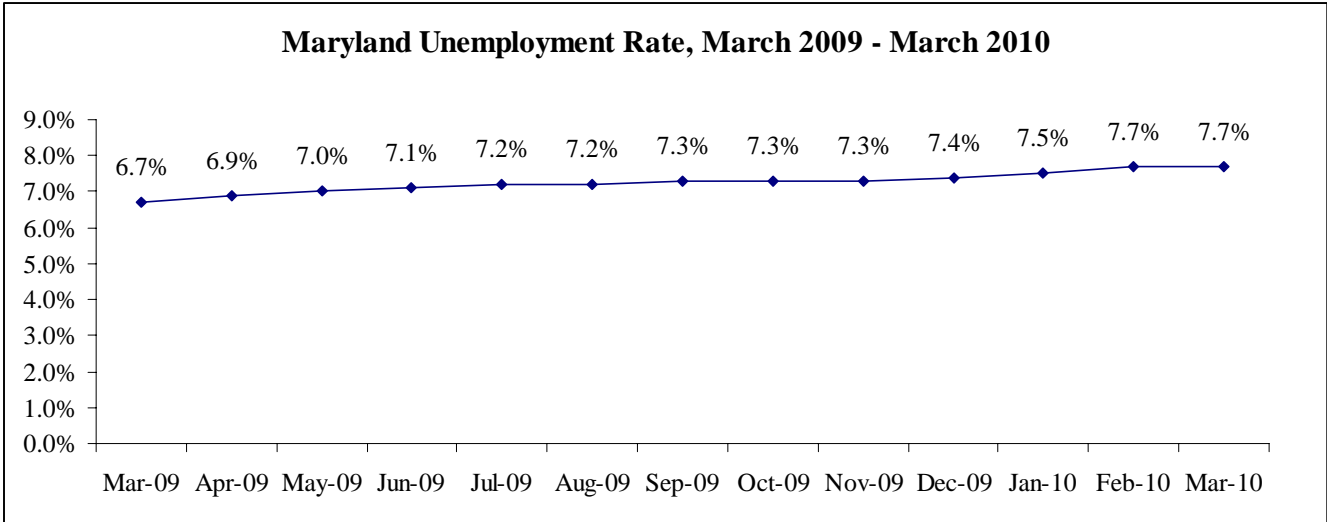
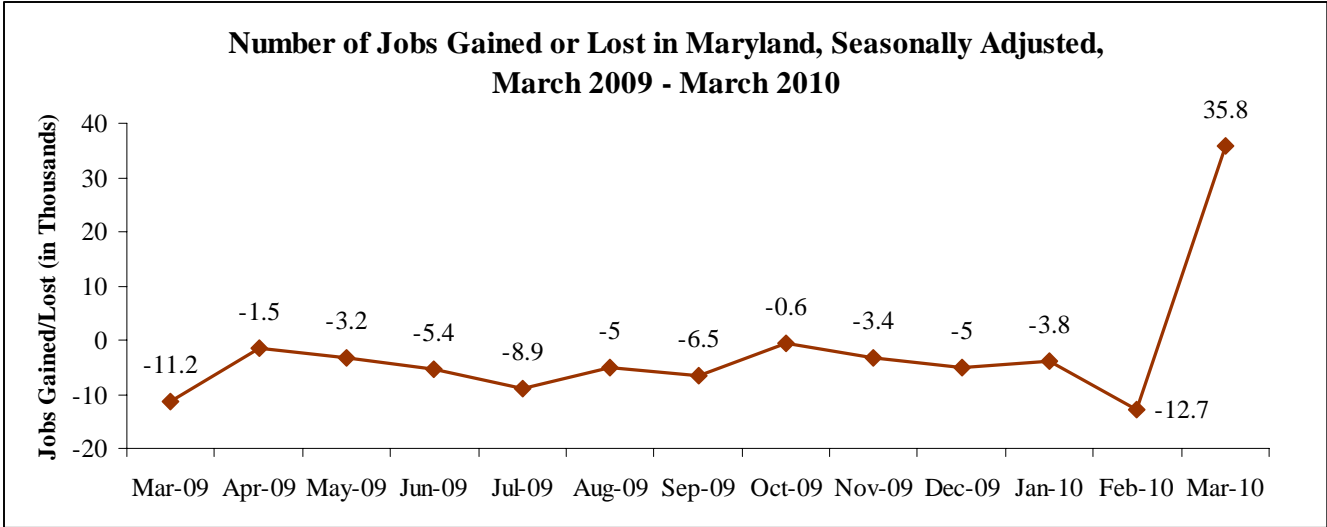
**Overall Business Development Activity**

- **March Business Deals and Job Creation.** The total number of successful project completions has fallen over the last two months, although the total job creation from these completions increased between February and March 2010 (as well as when compared with March of 2009).

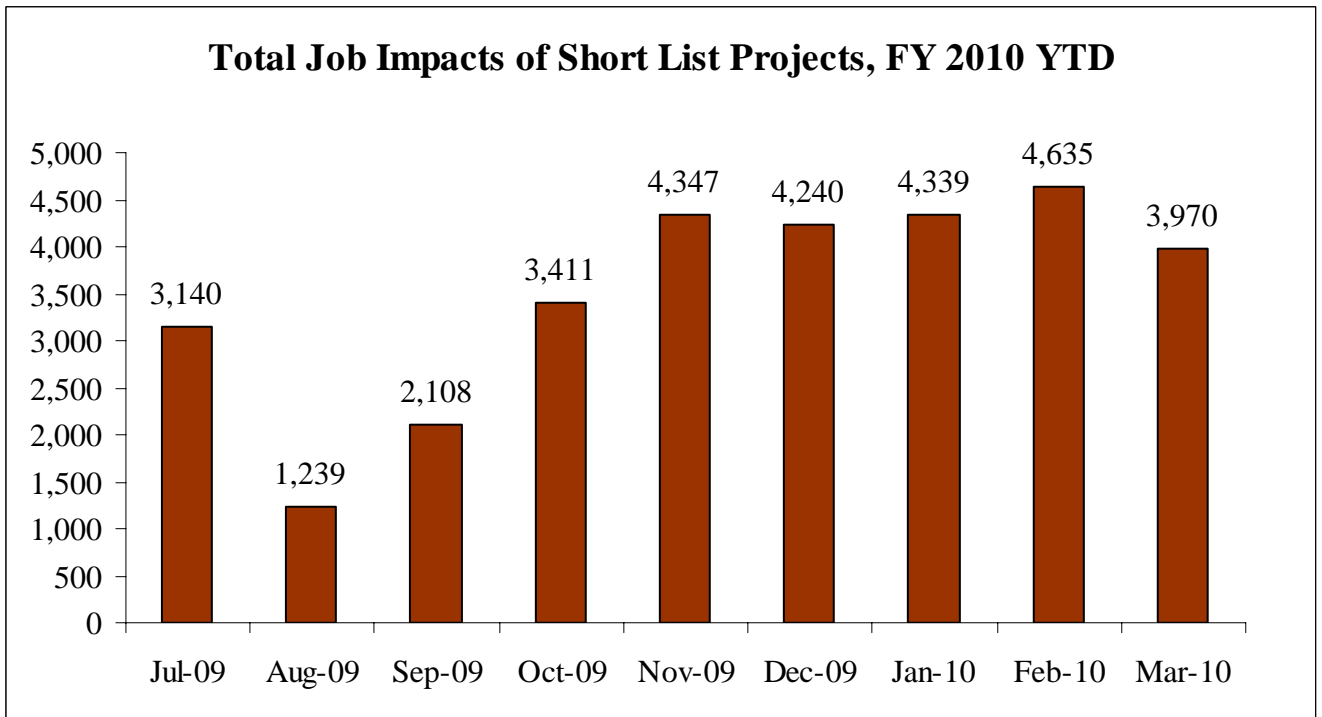
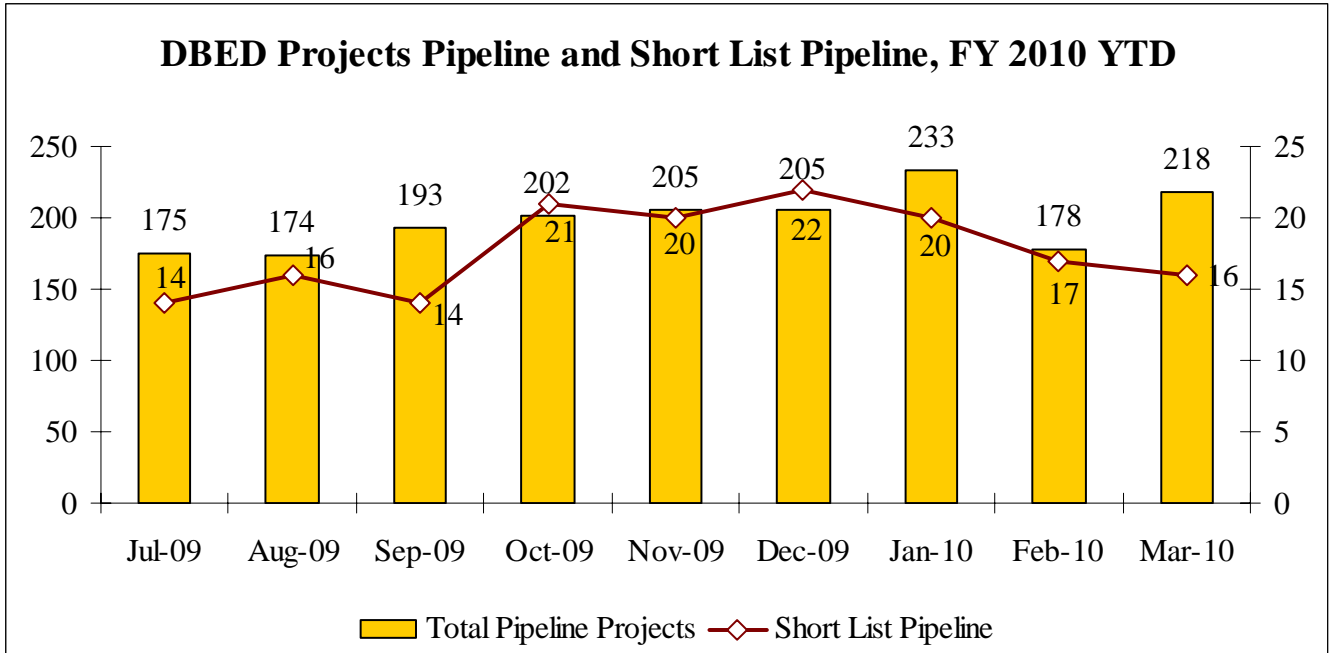


- March Employment Figures.** On April 21<sup>st</sup> the U.S. Bureau of Labor Statistics (BLS) employment figures showed that Maryland had 35,000 new jobs in March 2010, more than any other state in the nation. However, unemployment levels remained steady, largely due to an influx in workers who had not been seeing employment re-entering the job market.

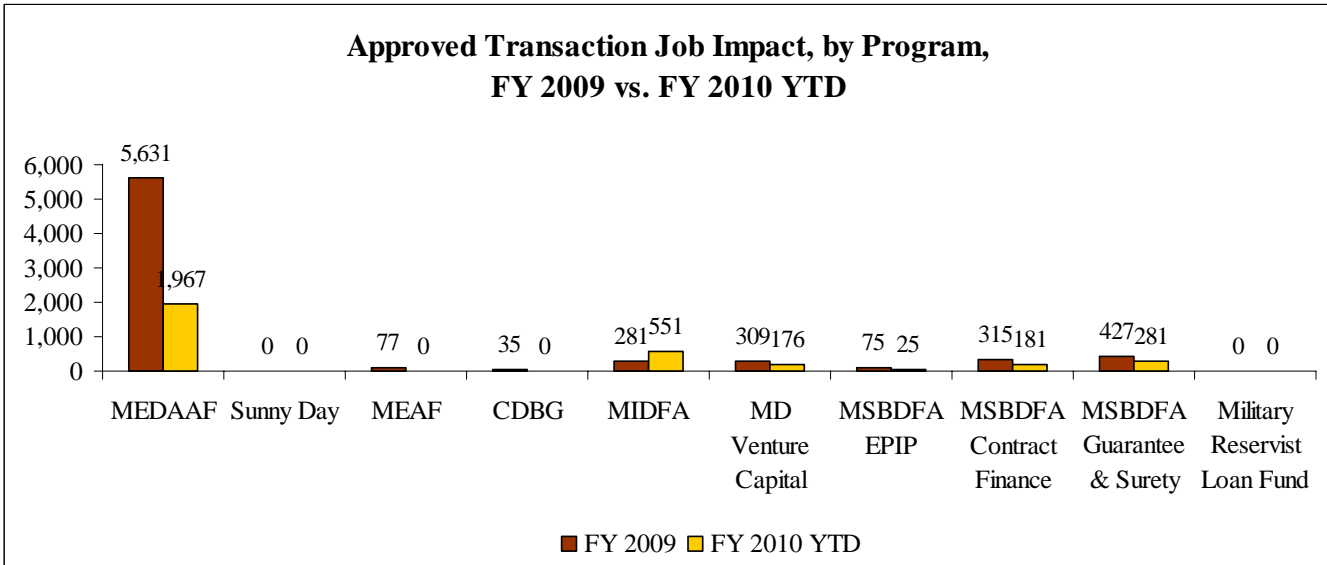
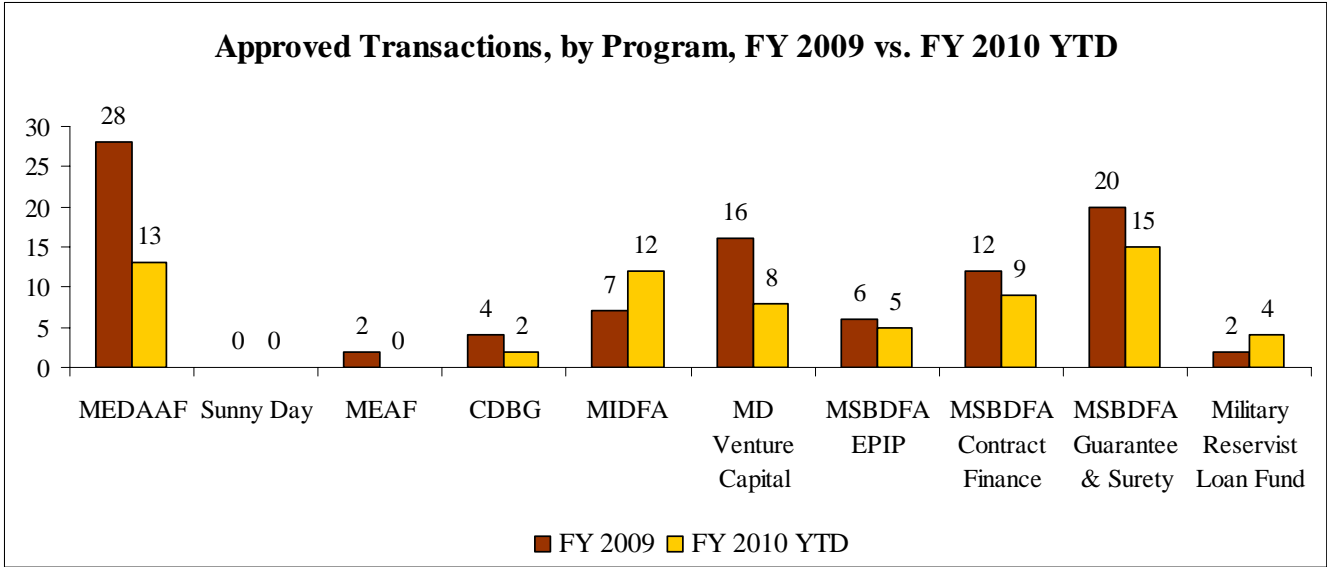
The Department and panel discussed the future effects, and noted that while there is an immediate gain, the results may not continue into future months in part due to the large gain.



- Pipeline of Business Projects.** In addition to business deals closed, the Department reports that the Division of Business and Enterprise Development has 218 projects in its development pipeline, of which 16 are on the short list. Short listed projects have a combined job impact of 3,970 jobs.



- Financing.** The Department reports that seven financing transactions were approved in March for a total of \$5.3 million in financial assistance. This will support approximately 882 jobs. Overall, the Department reports significant job creation for FY 2010 through its financing programs, with the jobs per transaction significantly higher in FY 2009 than in FY 2010.



**Foreign Investment Offices**

- Success of Foreign Investments.** Maryland has shown significant success in FY 2010 in attracting new foreign investments to Maryland, with 16 of the 31 foreign investments over the last two years occurring during FY 2010 (in other words, 51 percent of investments over the last two fiscal years occurred in FY 2010).

Foreign Investment Wins by Office	
Office	Number of Wins
DBED Baltimore Office	15
MI2	12
China	1
Europe	1
Contingency Offices	2
Total Investments	31

- Maryland International Incubator (MI2).** The Department reports that the Maryland International Incubator has been a particularly successful model in attracting foreign investments. Since July 1, 2009, 9 businesses have relocated to the MI2, and three more are expected before the end of April 2010. In addition, the MI2's Executive Director has a strong working relationship with the Department's office in China, which has led to significant success in attracting Chinese businesses to the MI2.

### **Maryland's Regional Competitiveness**

- Overview.** The panel will recall that at the previous meeting, the Department and panel discussed the strength of Maryland's business assistance programs compared with other states, both from a budgetary standpoint (the amount of funding available for business incentives) and economic strength (relative property values, education, and other factors).
- Presentation to Maryland Economic Development Council (MEDC).** The Department has provided the presentation it made to the Maryland Economic Development Council (MEDC) on this issue, which can be projected at the panel's request. In addition, the Department provided a list of suggestions for increasing Maryland's business incentives budget to match states in the region.

#### **DBED Recommendations to the MEDC for Increasing Maryland's Regional Competitiveness**

Recapitalize Incentive Programs with General Funds by \$10 million per year
Create Maryland's equivalent to Virginia Economic Development Investment Grant (VEDIG)
Create a Certified Capital Companies-Hybrid program
Consider raising the cap on the Maryland Research and Development Tax Credit to \$12 million

- Future Efforts.** In addition to the presentation, the Department noted that it is working with MEDC to complete a benchmarking exercise that will compare Maryland against a select number of states with shared or desired characteristics; the Department anticipates the project will be completed by mid-June 2010.

### **Departmental Initiatives**

- Bio2020.** The Governor's Bio2020 initiative seeks to increase biotechnology research in Maryland by attracting new businesses. As part of this initiative, DBED launched the Maryland Biotechnology Center, and recently named Dr. Judy Britz as its Executive Director.

- Cyber Maryland Initiative.** The Cyber Maryland initiative seeks to promote Maryland as a national leader for cyber security research and development. As a result of the Department's efforts, the Department released its report on increasing cyber security and held an implementation meeting with the relevant state agencies on March 23<sup>rd</sup>. The purpose of the meeting was to review the 10 recommendations from the report and assign agencies to lead the State's efforts in implementing these recommendations.

<b>Cyber Maryland Recommendations</b>
Establish a National Center of Excellence for Cyber Security
Encourage Cyber Security Technology Transfer & Commercialization
Enhance Maryland's Information Standards, Certification & Testing Capabilities
Align Maryland's Education Programs to Meet Demand for Cyber Security Talent
Develop Workforce Training Programs to Address Industry Needs
Identify Future Growth Opportunities & Implement an Economic Development Strategy for Cyber Security
Align Maryland State Cyber Security priorities with those of the President's Cyber Security
Create a Multi-Faceted Communications & Marketing Strategy to Increase Awareness of Maryland's Resources and Opportunities
Market Maryland as the National Epicenter for Cyber Security
Work with the Federal Facilities Advisory Board, public-private partnership, industry, and federal agencies to identify growth opportunities and establish a tactical plan to execute