

Meeting Summary

Agency: DBED

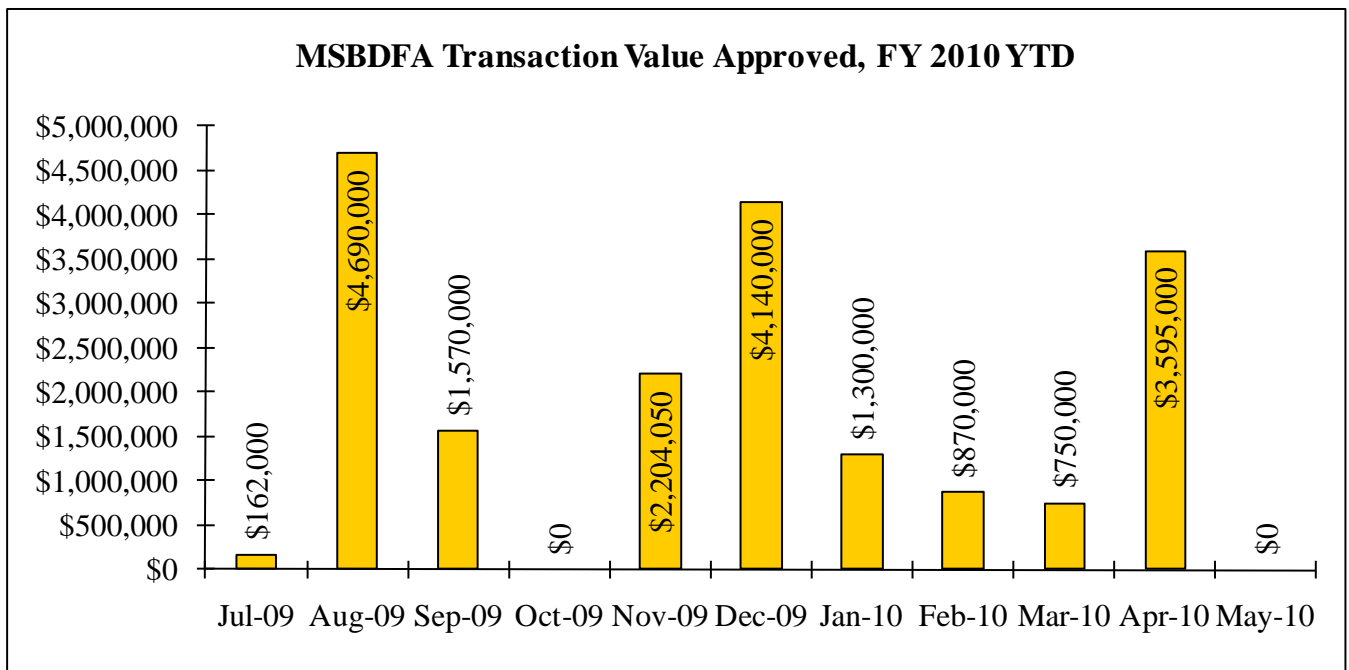
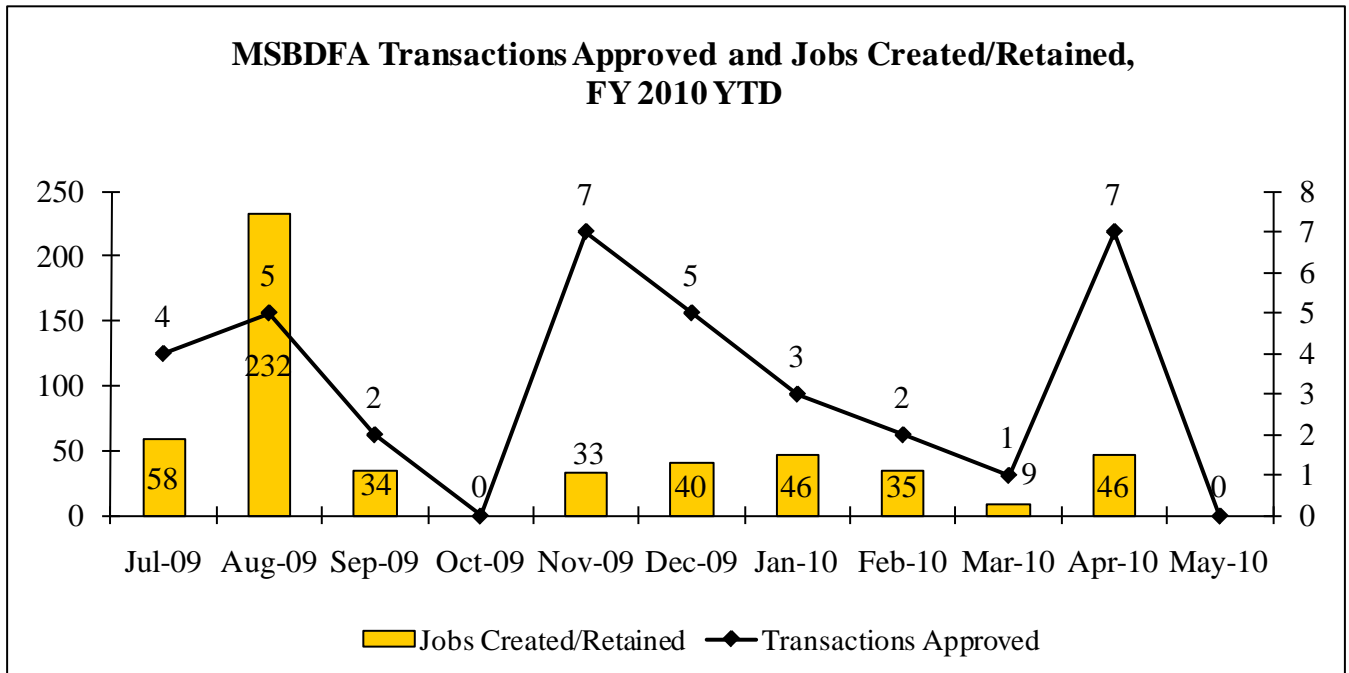
Following is a summary of issues discussed at the DBED Stat on June 22, 2010. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

General Discussion

- **Overview.** To date, the Department has approved 84 transactions in 8 financing programs, for a total of \$101,759,662 in loans. These transactions are estimated to create or retain 4,124 jobs and support \$607,834,000 in capital expenditures. Compared with FY 2009 YTD, this is a 212 percent increase in amount loaned, but a 41 percent decrease in jobs created/retained.

Approved Financing, FY 2009 YTD vs. FY 2010 YTD			
	FY 2009 YTD	FY 2010 YTD	Percent Change
Approved Transactions	85	84	-1%
Amount Approved	\$32,630,252	\$101,759,662	212%
Jobs	7,047	4,124	-41%
CapEx	\$385,475,690.00	\$607,834,000.00	58%

- **Small Business Credit Recovery Program (SBCRP).** The SBCRP, passed by the 2010 Legislative Session, provides additional financing to small businesses through MSBDFA. The Department reports that 3 transactions have been settled and 8 transactions have been approved; the majority is in Baltimore City and County. A list of settled and approved transactions is shown below.
- **Maryland Small Business Development Financing Authority (MSBDFA).** Overall MSBDFA financing programs have seen a slight increase in activity, perhaps due to the passage of the Small Business Credit Recovery Program (SBCRP). However, in May 2010 there were no approved transactions.



MSBDFA consists of three major programs, summarized below:

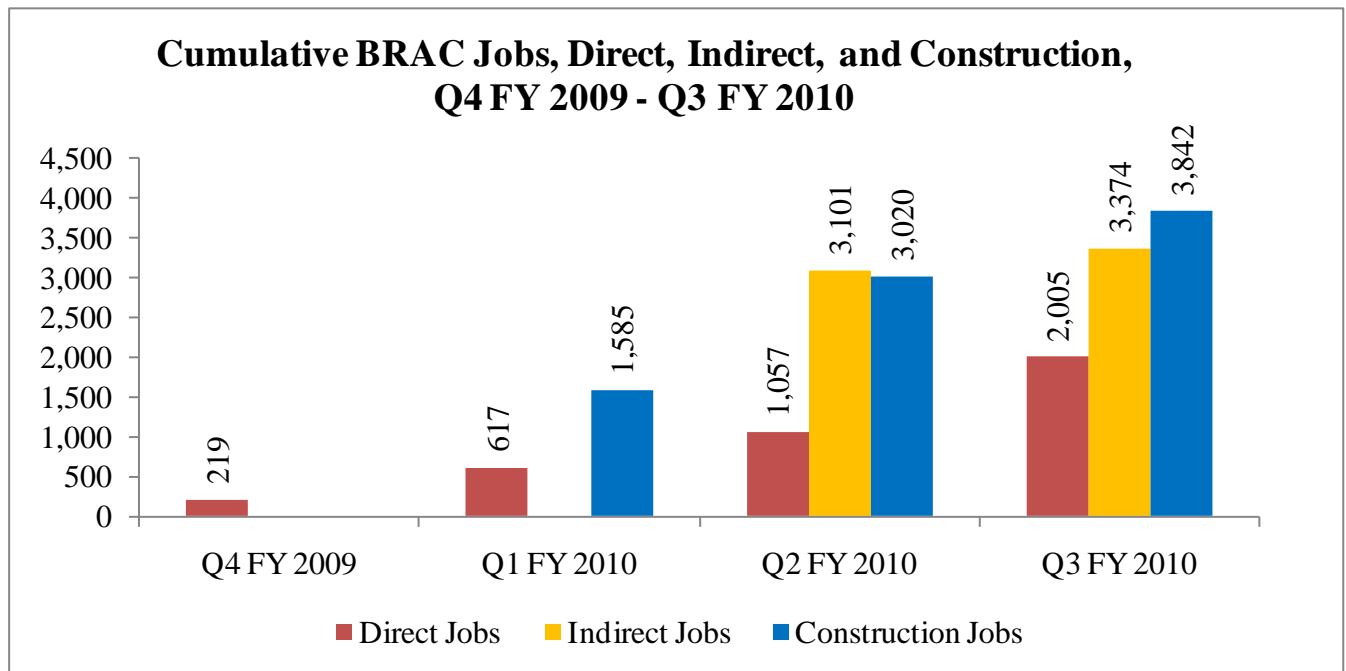
- **Equity Participation Investment Program (EPIP)** expands business ownership for socially and economically disadvantaged entrepreneurs and small businesses not meeting the established credit criteria of financial institutions.
- **Contract Financing Program (CFP)** provides financial assistance to eligible businesses in the form of direct loans.
- **Guaranty Fund Program (GFP)** provides financial assistance to eligible businesses in the form of loan guaranties and interest rate subsidies for loans made by financial institutions.

- **Job Creation and Recovery Tax Credit (JCRTC).** The JCRTC was passed in the 2010 legislative session. The program, administered by the Department of Labor Licensing and Regulation (DLLR), provides a \$5,000 tax credit to businesses who hire unemployed workers. DBED reports that as of May 24th, a total of 95 employers qualified and resulted in 145 individuals hired. Recent media reports have suggested that the program is not up to full capacity.

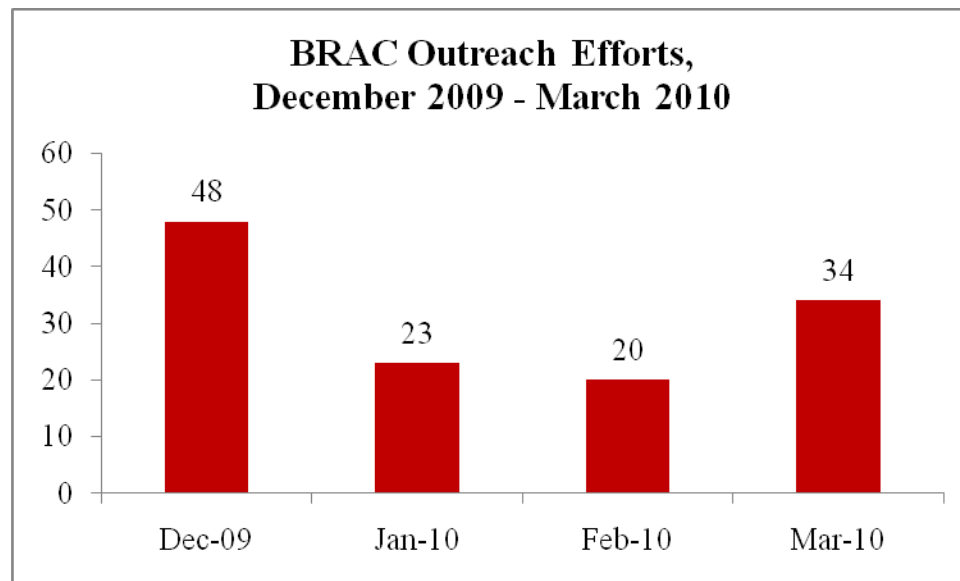
JCRTC Activity			
	5/24/2010	6/17/2010	Percent Change
Employers	56	81	45%
Employees	95	145	53%

Federal Facilities

- **Overview.** The panel will recall that the Department has made Maryland's federal facilities a priority, both with attracting and retaining federal facilities in Maryland as well as marketing these facilities to promote related business development.
- **Base Realignment and Closure (BRAC).** To date, a total of 9,221 jobs associated with BRAC have been reported.



- BRAC Outreach.** The Department reports that between December 2009 and March 2010, it conducted a total of 125 business outreach activities, of which 123 were in-state.

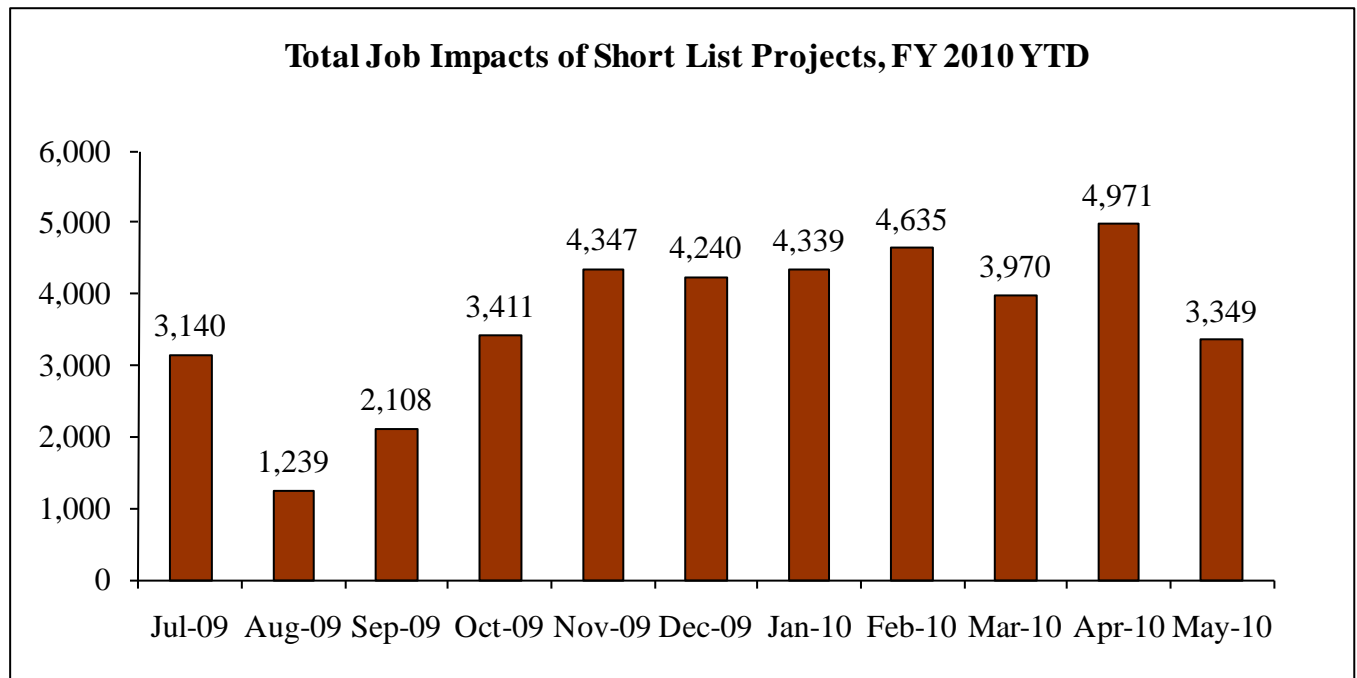


- Contractor Access.** At the previous meeting, there was interest in the Department’s efforts to connect local contractors to federal facility and BRAC projects. The Department noted that it has participated in several local conferences and trade shows to encourage participation and is developing a strategy for improving Maryland business access to federal projects.

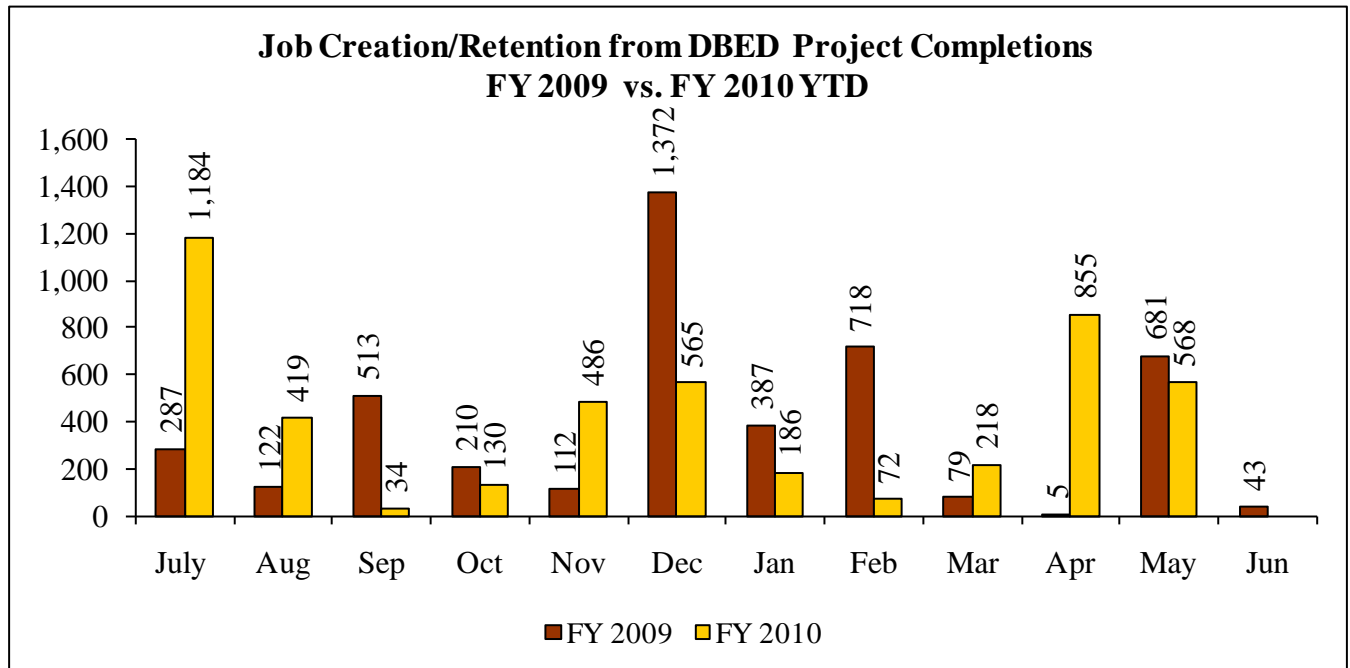
Local Contractor Access to Federal Facility Projects Events		
Programs	Date	Description
Veteran-Owned and Service Disabled Veteran-Owned Business Development Conference	June 14th	200 attendees learned about contracting opportunities at the Federal and State Level. DBED Partnered in this event and Secretary Johansson and Helga Weschke spoke about DBED programs and services.
Federal Industry Day	Fall - Winter 2010	Full day conference on how to do business (procurement opportunities) with various federal agencies located in Maryland.
Social Security Administration	June 11th	DBED participated at a conference for small businesses interested in procurement opportunities with SSA.
Aberdeen Technology Showcase	June 16 th - 17th	OMFA is participating in this two day event on doing business with various tenants at APG. Mike Hayes is a keynote and will speak about DBED programs and services.

Business Development

- **Short List Projects.** The Department currently reports 14 projects on its “short list,” which indicates that a company is in the final stages of its decision process of whether to move to Maryland. These projects have a combined impact of 3,349 jobs.



- Increase in Jobs created/retained.** According to the Department, the Department was able to close 6 facility location/expansion deals and 3 non-facility projects, creating a total of 568 jobs. As of May, DBED has created or retained 4,717 jobs in FY 2010, 188 more jobs than were created in all of FY 2009.



Minority Business Enterprise (MBE) Participation

- Overall Participation High.** For FY 2010, the Department shows a 48.94% MBE participation rate. The majority of participation has been in the Services category.

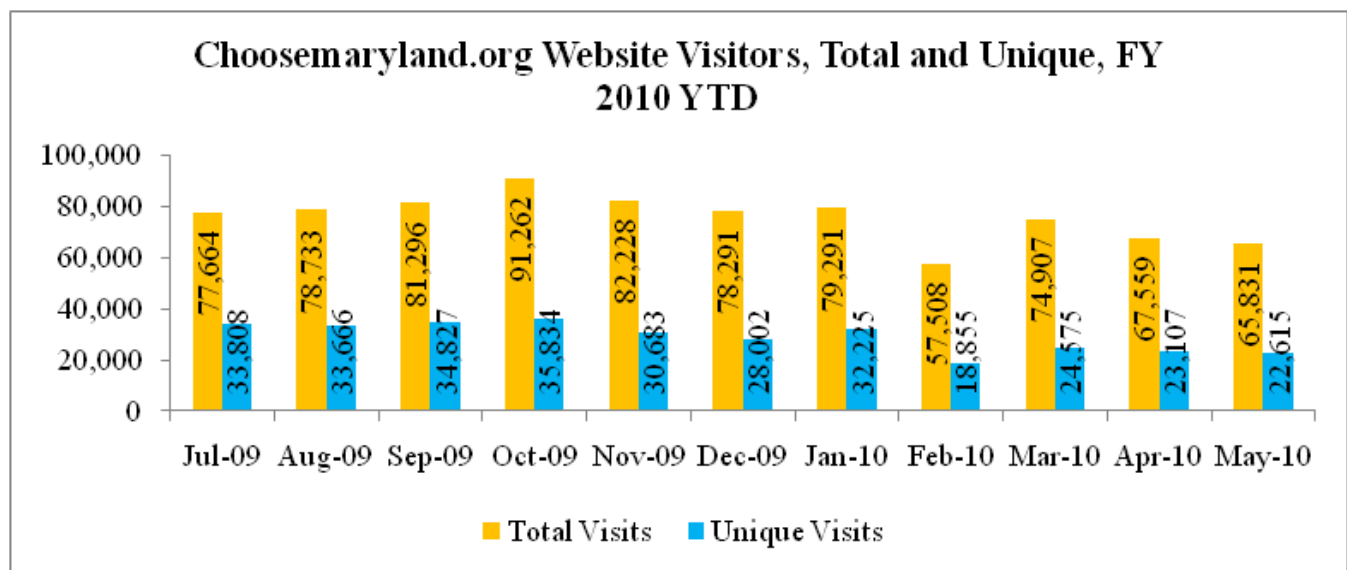
FY 2010 YTD MBE Participation					
Agency Total	Ethnic	Women	Disabled / Non-Profit / Sheltered Workshop	Total MBE/WBE	%
\$3,512,006.91	\$1,684,889.00	\$33,762.00	\$0.00	\$1,718,651.00	48.94%
	47.98%	96.00%	0.00%		

- No March or April MBE Participation.** The Department had no MBE contract dollars awarded during March or April 2010. The contracting was in the Services, Corporate Credit Card, and Direct Voucher categories, as seen in the chart below.

March and April 2010 Contracting by Category			
Category	Agency Total	Total MBE/WBE	%
Services	\$436,218.00	\$0.00	0.00%
IT Services	\$599.00	\$0.00	0.00%
Corporate Credit	\$37,743.84	\$0.00	0.00%
Direct Vouchers	\$72,709.27	\$0.00	0.00%

Website and Outreach

- Overall.** Overall, the Department's website has seen a slight decrease in new users, although there was a slight increase in March compared with previous months. Furthermore, it appears that the Department's use of social media is attracting attention, with over 1,177 followers on Twitter and regular website feedback.



- Interactive Tourism Map.** The Department, with StateStat, unveiled the interactive tourism map at the Governor's Capitol for a Day (CFAD) event in Silver Spring, MD, which generated positive press reviews and coverage.

Governor's Delivery Unit

- Direct Jobs:** DBED set a goal of creating or saving 10,000 Jobs in FY 2010. It appears to have exceeded this goal by a large margin, with 31,081 jobs created or saved through April (21,327 created and 10,616 saved).

GDU Jobs Goal: Job Creation and Retention					
Source/ Action	2012 Estimated		Progress to Date		% Completed
	Created	Retained	Created	Retained	
Job Creation and Recovery Tax Credit	4,000		139		3%
BRAC	15,300	--	1,786	--	12%
BRAC (Indirect/Induced)	9,300	--	7,216	--	78%
Business Development	16,511	5,504	2,318	2,542	22%
Business Development (Indirect/Induced)	--	41,168	4,335	4,754	12%
Business Services	3,938	1,313	579	1,970	49%
Business Services (Indirect/Induced)	--	9,818	1,083	3,684	38%
International Investment & Trade	551	183	80	43	17%
International Investment & Trade (Indirect/Induced)	--	1,374	150	80	6%
Finance Programs	2,625	875	2,775	1,805	97%
Finance Programs (Indirect/Induced)	--	6,545	5,189	3,375	97%
Military and Federal Affairs	2,625	875	--	--	0%
Military and Federal Affairs (Indirect/Induced)	--	6,545	--	--	0%
Federal Facility Expansions	25,000	--	5,431	--	22%
Federal Facility Expansions (Indirect/Induced)	46,750	--	--	--	0%
Culture and Sports	23,000	--	--	--	0%
Slots	350	--	--	--	0%
DBED Total	132,350	74,200	31,081	18,253	13%

- Green Jobs & Industry:** DBED has assumed leadership of the Administration's Green Jobs and Industry Working group and has established a Green Jobs and Industry Task Force. The Task Force is being charged with developing a strategy for supporting the expansion of green jobs and industry in Maryland. The principle and ongoing mission of the Green Jobs & Industry Working Group is to identify and coordinate State support for the expansion of green industry projects and opportunities in the State.
- Invest Maryland.** On 6/1/2010 Governor O'Malley announced *Invest*Maryland, an administrative and legislative proposal designed to support the growth of the state's knowledge based industries by stimulating investment in the Maryland Venture Fund. The program will make insurance companies eligible for state issued tax credits who would invest dollars today in Maryland's venture infrastructure. DBED has said it will work with legislators, businesses and universities to draft a bill on behalf of the Governor for the 2011 Maryland Legislative Session.
- Bio2020.** Under the *BIO 2020* Initiative, the State will invest \$1.3 billion in Maryland's bioscience industry over the next 10 years – the largest per capita investment in the biosciences made by any state in the country – to attract and grow biotechnology companies in Maryland. Under the proposal, Maryland would double its Biotech Investment Tax Credit in FY 2010 and again by 2013, a move that would leverage almost \$50 million in private investment for Maryland biotech companies each year.