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Meeting Summary

Following is a summary of issues discussed at the DBED Stat, held on January 31, 2011. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

General Observations

- The following issues are highlighted:
 - Case Study—Under Armour
 - Follow up Items
 - Overall Business Development Activity
 - BRAC Outreach and Job Creation
 - Transparency
 - Job and Company Support

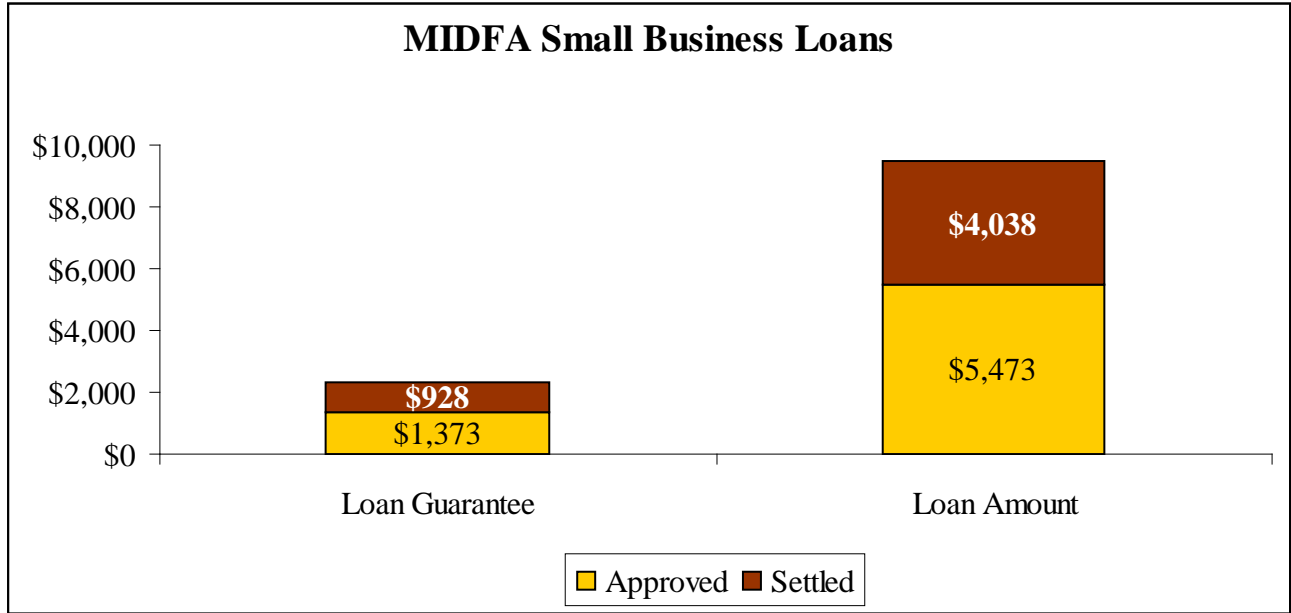
Follow Up Items

- **Central Business Licensing Update.** Cirdan Group received the official Notice to Proceed for the CBL project on Friday, December 3, 2010. A kickoff meeting for the CBL Project was held on Monday, December 20, 2010 at the World Trade Center Baltimore. DBED reports that Cirdan Group is making progress with the CBL Project. They have scheduled interviews with most of the agencies. With the exception of two agencies, which had been escalated to DBED and Executive Steering Committee (ESC), Cirdan anticipates meeting with all the agencies that issue License, Certifications, Permits or Registrations (LCPR) by the January 14, 2011 deadline. The Current Key Milestones for the CBL Project can be found in the table below.

Deliverable	Status
Report Template	completed
Agency Questionnaire	Survey Monkey in process
Interviews	in process
Business Process and Data Documentation Review	in process

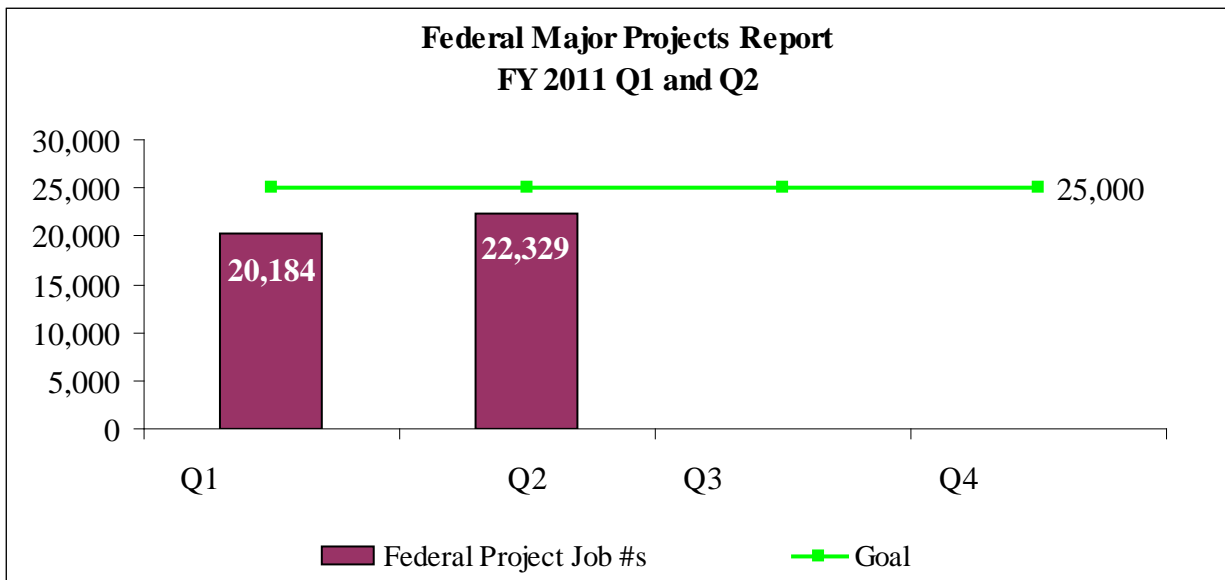
Overall Business Development Activity

- **Pipeline of Business Projects.** The Department reports 24 firms on the December short list. Short listed projects have a combined job impact of 3,814 new jobs.
- **Small Business Credit Recovery Program.** DBED has settled eight transactions that in the aggregate were insured for \$928,000, unlocked \$4.0 million of private sector lending. The agency also approved 10 transactions that are pending settlement by the banks that will in the aggregate be insured for \$1.4 million, unlock \$5.5 million of private sector lending. As shown in the chart below, the settled and pending transactions are using \$2.3 million of insurance. Reflecting the tepid pace of economic recovery and continued limited activity in private sector lending, the response to the program has been slower than originally anticipated. The Department is continuing the program in CY 2011 and believes it is appropriate to continue marketing the capability as a permanent capability of MIDFA. The only modification made has been to reinstate the ½ of 1% per annum guaranty fee for transactions for which it is statutorily permitted.
- **Terminations.** There were six other transactions approved by DBED with \$675,000 of insurance on \$2.1 million of bank debt that the bank and/or borrower decided not to move forward with the transaction, as shown in the second chart below.



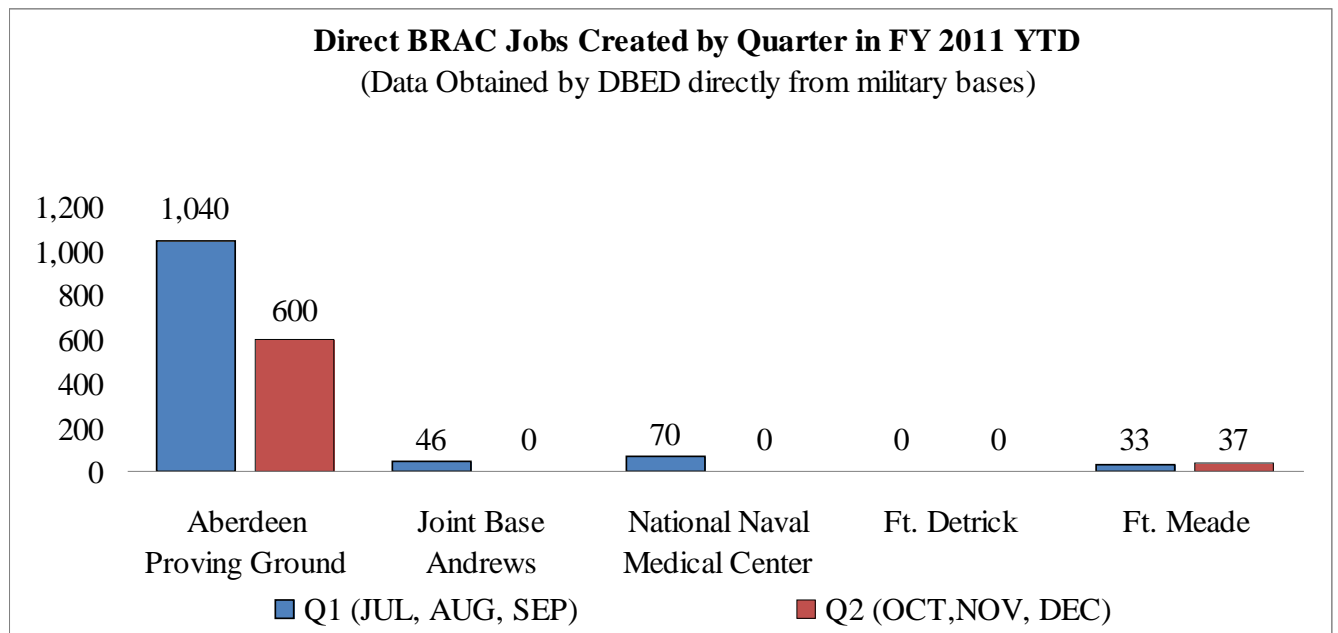
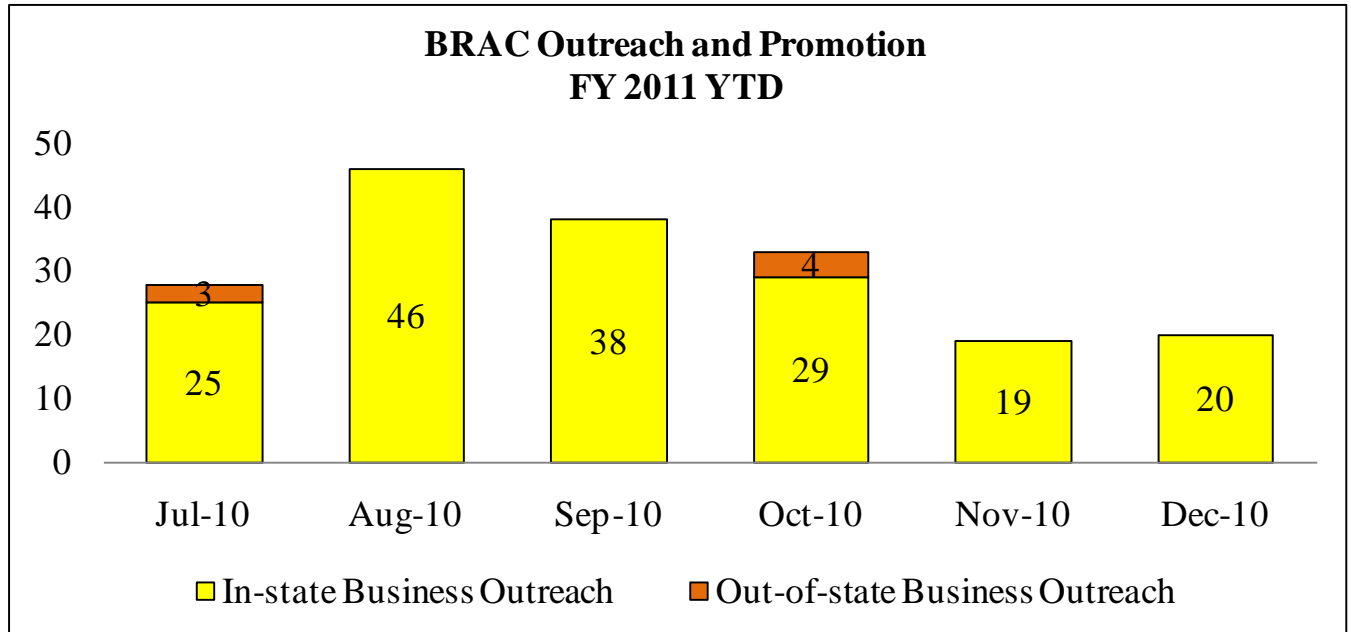
Termination	Type	Loan Amount	Loan Guarantee	County	Bank	Termination Date	Description
Kayden Premier Enterprises	RLOC	\$100	\$50	Baltimore City	Harbor	8/23/2010	Rescinded/Expansion MBE Certified Contractor
Tut's Inc.	RLOC	\$100	\$50	Baltimore City	Harbor	8/12/2010	Declined/Group home for boys
Prince George's Swimming Pool	Term Loan	\$300	\$150	Prince George's	Harbor	8/12/2010	Rescinded/Co-op private pool
Park Heights	CovLOC	\$100	\$500	Baltimore City	Harbor	7/10/2010	Rescinded/Community Organization
Total Engineering	RLOC	\$1,000	\$250	Prince George's	M & T	7/1/2010	Rescinded/Expansion MBE contractor
Terminal Corp.	Term Loan	\$500	\$125	Baltimore City	Madison Capital	12/2/2010	New salt/equipment lease

- Federal Major Projects.** DBED has reached 89 percent of its jobs goal of direct & indirect federal jobs in the second quarter of FY 2011 as shown in the chart below. Of the 22,329 jobs, 6,202 were new, 11,792 were retained, and 4,335 were indirect.



BRAC Outreach and Job Creation

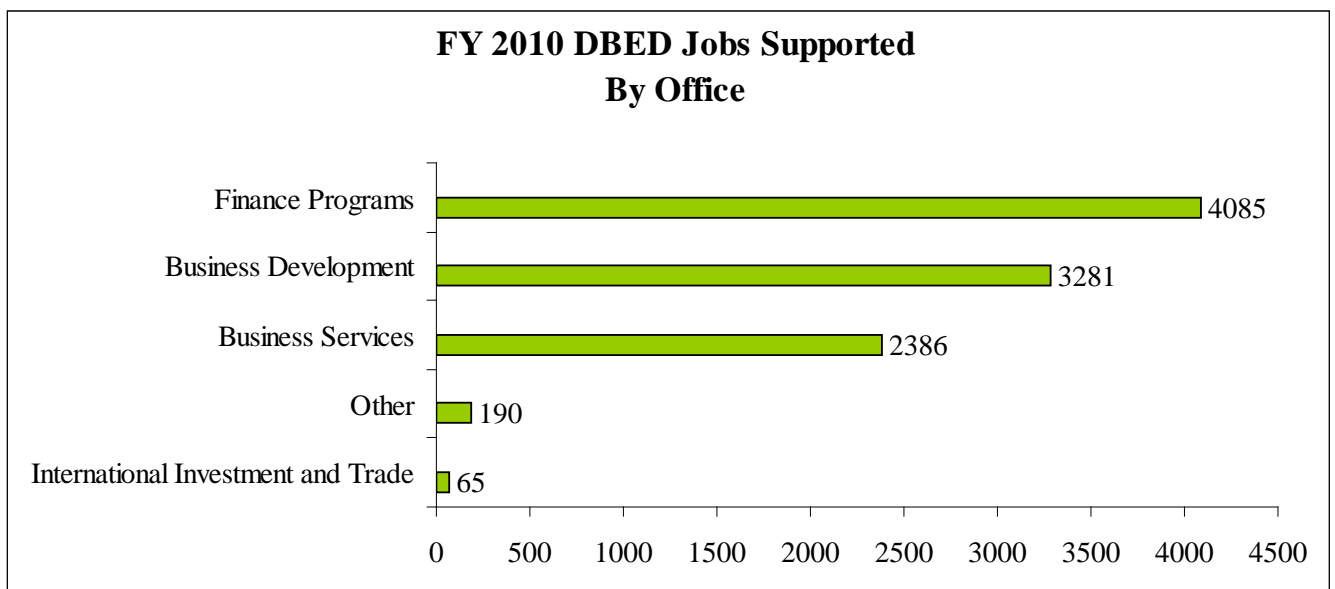
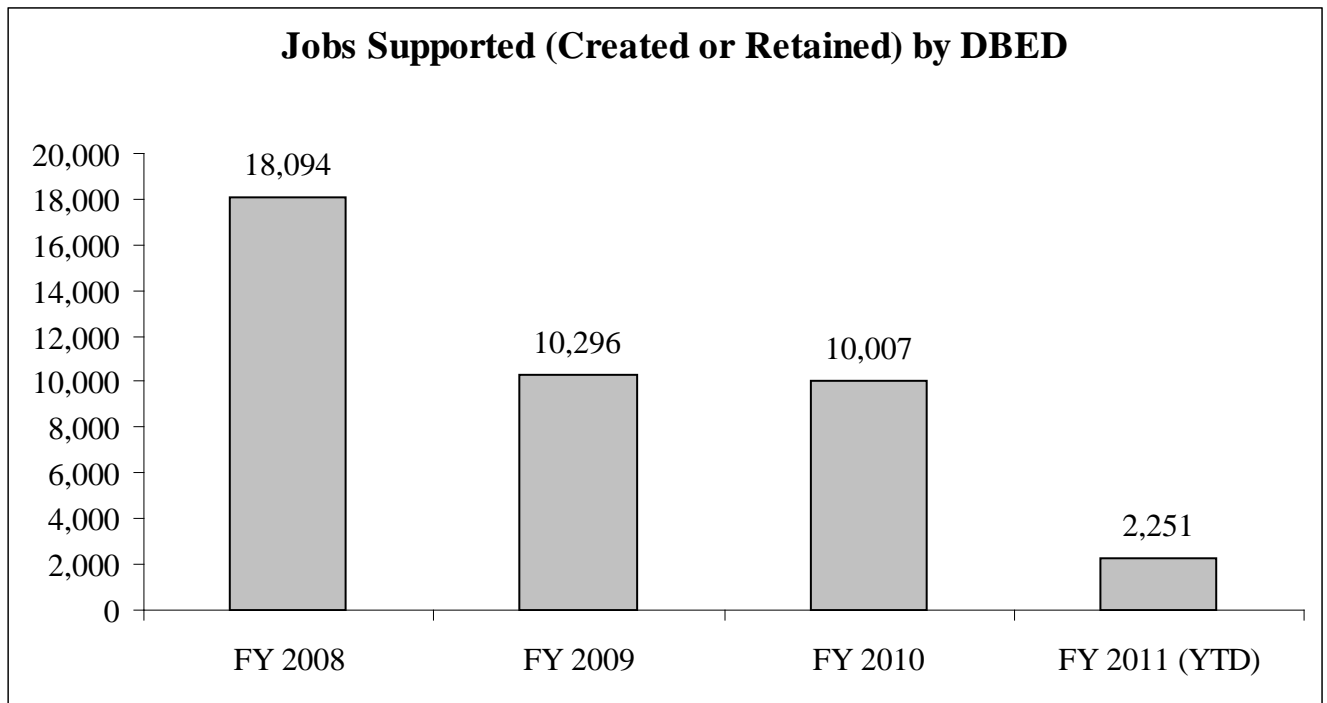
- BRAC Outreach (GDU Goal 1: Create, Save or Place Maryland Residents into 250,000 Jobs by the End of 2012).** The Jobs Delivery Plan calls for DBED to coordinate the effort to reach out to in-state and out-of-state businesses that could be interested in taking advantage of business opportunities made available by BRAC. The first chart below displays DBED’s reported promotional activity during the last 6 months of available data. The second chart below shows that the number of direct BRAC jobs created decreased in the second quarter of FY 2011.



Job and Company Support

- DBED Job Programs (GDU Goal 1: Create, Save or Place Maryland Residents into 250,000 Jobs by the End of 2012).** DBED submitted an update of progress toward the goal of

creating 10k direct jobs through business development, which the agency has achieved in each of the last 3 fiscal years. Including everything the agency can include toward business development's jobs goal—facility location decisions, issues resolved that create/retain jobs, and any finance deals that don't overlap with the first two—DBED has created 925 new jobs. Jobs supported by DBED have declined from FY 2008 as shown in the chart below. The Department reported that the decline is partly due to the economy, and partly due to a more stringent standards for counting jobs.



- Companies Assisted by DBED (GDU Goal 1: Create, Save or Place Maryland Residents into 250,000 Jobs by the End of 2012).** In FY 2008 and 2009, DBED assisted over 300 companies, but that number declined to 164 in FY 2010. DBED is on pace to assist more companies in 2011 than in 2010, with 129 so far.

