

MEMORANDUM

April 21, 2011

TO: Planning, Housing and Economic Development Committee
FROM: Justina J. Ferber,  Legislative Analyst
SUBJECT: Worksession - Executive's Recommended FY12 Operating Budget -
Economic Development Fund (EDF)

Those expected for this worksession:

Steve Silverman, DED Director
Tina Benjamin, Chief of Staff, DED
Peter Bang, Chief, Finance, Administration and Special Projects Division, DED
Alison Dollar, Management and Budget Specialist, OMB

The Executive's Recommended FY12 Operating Budget for the Economic Development Fund (EDF) can be found on ©1-4.

Overview

For FY12 the Executive recommends an operating budget of \$4,922,280 for the Economic Development Fund (EDF) which is an increase of \$4,069,840 over FY11. Personnel costs charged to the fund for FY12 are \$120,540.

The County Council appropriates money to the EDF as part of its regular budget process. The EDF is a special fund that is separate from the General Fund and the balance from this fund may be carried over from year to year. Any potential offer over \$100,000 requires Council support before commitments are made. The fund is administered by the Department of Economic Development and the Department of Finance. The Executive must report to the Council by March 15 each year on the status and use of the fund. The Annual Report is attached at ©5-43.

A chart showing Economic Development Fund expenditures and workyears for FY10, FY11 and FY12 is on the next page.

Economic Development Fund Expenditures and Workyears FY10, FY11, FY12

(in \$000's)	FY10 Actual	FY11 Approved	FY12 CE Recommended	% Change FY11-FY12
Expenditures:				
General Fund	852,440	852,440	4,922,280	477.4%
Grant Fund				
TOTAL Expenditures	3,044,376	852,440	4,922,280	477.4%
Revenues	474,067	232,920	195,290	-3.70%
Positions:				
Full-time	1	1	1	0.0%
Part-time	-	-	-	
TOTAL Positions	1	1	1	0.0%
WORKYEARS	1.0	1.0	1.0	0.0%

Economic Development Fund Allocation

Economic Development Fund	FY11 Budgeted	FY12 Recommended	Available Fund Balance* Carried to FY12 from FY11
Grants and Loans Program Impact Assistance Program	\$852,440; 1 wy	\$4,697,690; 1 wy	\$300,000 (extra loan pmts.)
Technology Growth Program	\$0	\$0	\$0
Demolition Loan Program	\$0	\$0	\$0
Small Business Revolving Loan Program Micro-Enterprise Loan Program	\$96,770	\$224,790	\$550,000
Economic Development Fund Total	\$852,440	\$4,922,280	\$850,000

*The EDF sums in the fund balance are adjusted as commitments are made from the fund.

The Council has given support for various EDF offers which are to be funded in FY12. Any potential EDF offer over \$100,000 requires Council support before commitments are made. The known offers for FY12 add up to \$4,075,000. Several offers are in the confidential stage and staff has provided information separately to Councilmembers as an addendum to this packet. The remainder of the funding in FY12 is \$847,280

Westfield/Costco Project

For FY12, \$2,000,000 is included for half of the \$4,000,000 commitment made to Westfield for assistance in construction costs for the new Costco warehouse store at the Westfield Wheaton Shopping Mall. The County Executive has signed letters of commitment on the offers in which there is Council support and this includes the Westfield/Costco project. The Council received many letters about the Westfield/Costco project, some in support, many not. Some wrote in support of the Costco store but did not support the proposed gas station affiliated with the store. Local business owners wrote in support of the project. Public hearing testimony included requests that Costco give as much attention to the Wheaton store as to the urban store in suburban Los Angeles which will have "engaging architectural features, a meandering sidewalk and bike path,

landscaping and other amenities to make it the nicest-looking Costco ever". The Kensington Heights Civic Association opposes the proposed gas station for the Costco project and asks that it be placed at a reasonable distance away from the homes in Kensington Heights and also requests that Costco engage with the community about details of the design and operation directly affecting the community.

Other Projects

Funding of \$2,075,000 in the EDF for FY12 includes commitments and potential offers ranging from \$100,000 to \$1,000,000, some are still confidential.

Staff Recommendation

- **Discuss with the DED Director the design issues raised by the community on the Westfield/Costco project.**
- **Approve the EDF FY12 operating budget for \$4,922,280.**

Attachment: FY12 Economic Development Fund Budget ©1
 Economic Development Fund Annual Report March 2011 ©5

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Economic Development Fund

MISSION STATEMENT

The mission of the Economic Development Fund is to assist private employers who are located, or plan to locate, or substantially expand operations in the County. The Fund is administered by the Department of Finance, and programs utilizing the Fund are administered by the respective departments as noted below.

BUDGET OVERVIEW

The total approved FY12 Operating Budget for the Economic Development Fund is \$4,922,280, which is a 477% increase over the FY11 Approved Budget. Personnel Costs comprise 2 percent of the budget for one workyear for a position in the Department of Economic Development. Operating Expenses account for the remaining 98 percent of the FY12 budget.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ *Healthy and Sustainable Neighborhoods*
- ❖ *Strong and Vibrant Economy*

PROGRAM CONTACTS

Contact Peter Bang of the Economic Development Fund at 240.777.2008 or Alison Dollar of the Office of Management and Budget at 240.777.2781 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Demolition Loan Program

The Demolition Loan Program was established in FY99. The program helps owners of obsolete, underutilized commercial buildings demolish buildings and clear the land. This program is administered by the Department of Housing and Community Affairs.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	0	0.0
FY12 CE Recommended	0	0.0

Economic Development Grant and Loan Program

The Economic Development Grant and Loan Program was established in FY96 to provide assistance to private employers who will retain jobs already in the County or create jobs in the County through the expansion of current businesses or location of new businesses in the County. As part of its Marketing and Business Development Program, the Department of Economic Development (DED) identifies and develops prospects which meet the criteria for grants or loans from the Economic Development Fund. DED works to develop offers of assistance, frequently in close cooperation and coordination with the State of Maryland. By March 15, the County Executive submits an annual report on the status and use of the Fund, as required by Chapter 20-76 (b) of the Montgomery County Code. This program is administered by the Department of Economic Development.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	755,670	1.0
Increase Cost: FY12 Economic Development Grants	4,075,000	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	-133,180	0.0
FY12 CE Recommended	4,697,490	1.0

Technology Growth Program

The Technology Growth Program was created in FY99 as a program within the Economic Development Fund to facilitate the growth of technology-based companies located or desiring to locate in the County. Financial assistance under the program is based on the evaluation of the technology and the innovation proposed, along with potential impact for the County. The program is aimed at leveraging private-sector financing and State Challenge and Equity Investment funds and is administered by the Department of Economic Development.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	0	0.0
FY12 CE Recommended	0	0.0

Small Business Revolving Loan Program

The Small Business Revolving Loan Program was established in FY00. The program augments a grant from the Maryland Economic Development Assistance Authority and Fund (MEDAAF) Act under Senate Bill 446 to finance economic development projects that do not receive priority consideration from traditional private and public sources because they are in non-priority industry sectors and/or non-priority transaction sites. The program offers secured loans typically in the range of \$25,000 to \$100,000 and is administered by the Department of Economic Development.

FY12 Recommended Changes	Expenditures	WYs
FY11 Approved	96,770	0.0
Miscellaneous adjustments, including restoration of employee furloughs, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program	128,020	0.0
FY12 CE Recommended	224,790	0.0

BUDGET SUMMARY

	Actual FY10	Budget FY11	Estimated FY11	Recommended FY12	% Chg Bud/Rec
ECONOMIC DEVELOPMENT FUND					
EXPENDITURES					
Salaries and Wages	94,305	92,470	92,470	94,300	2.0%
Employee Benefits	29,404	32,180	32,180	26,240	-18.5%
Economic Development Fund Personnel Costs	123,709	124,650	124,650	120,540	-3.3%
Operating Expenses	1,354,500	727,790	1,404,120	4,801,740	559.8%
Capital Outlay	0	0	0	0	—
Economic Development Fund Expenditures	1,478,209	852,440	1,528,770	4,922,280	477.4%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	1.0	1.0	1.0	1.0	—
REVENUES					
Investment Income - Pooled	2,373	19,520	0	0	—
Loan Repayment Small Business Revolving Loan	60,511	96,770	57,410	131,730	36.1%
State Grants	250,000	0	0	0	—
Loan Repayments Grant & Loan Program	186,617	49,540	50,370	38,350	-22.6%
Micro-Enterprise Loan Program	11,677	13,800	0	0	—
Technology Growth Program Loan Repayments	98,237	21,550	21,270	11,830	-45.1%
Loan Repayments Community Legacy Program	25,324	31,740	54,070	13,380	-57.8%
Economic Development Fund Revenues	634,739	232,920	183,120	195,290	-16.2%

FY12 RECOMMENDED CHANGES

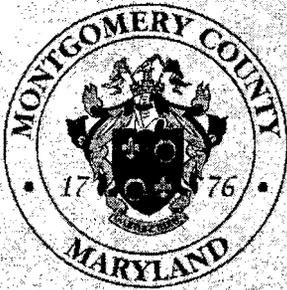
	Expenditures	WYs
ECONOMIC DEVELOPMENT FUND		
FY11 ORIGINAL APPROPRIATION	852,440	1.0
Other Adjustments (with no service impacts)		
Increase Cost: FY12 Economic Development Grants [Economic Development Grant and Loan Program]	4,075,000	0.0
Increase Cost: Annualization of FY11 Personnel Costs	1,190	0.0
Decrease Cost: Miscellaneous Operating Expenses	-1,050	0.0
Decrease Cost: Retirement Adjustment	-1,890	0.0
Decrease Cost: Group Insurance Adjustment	-3,410	0.0
FY12 RECOMMENDED:	4,922,280	1.0

PROGRAM SUMMARY

Program Name	FY11 Approved		FY12 Recommended	
	Expenditures	WYs	Expenditures	WYs
Demolition Loan Program	0	0.0	0	0.0
Economic Development Grant and Loan Program	755,670	1.0	4,697,490	1.0
Technology Growth Program	0	0.0	0	0.0
Small Business Revolving Loan Program	96,770	0.0	224,790	0.0
Total	852,440	1.0	4,922,280	1.0

FUTURE FISCAL IMPACTS

Title	CE REC.			(\$000's)		
	FY12	FY13	FY14	FY15	FY16	FY17
This table is intended to present significant future fiscal impacts of the department's programs.						
ECONOMIC DEVELOPMENT FUND						
Expenditures						
FY12 Recommended No inflation or compensation change is included in outyear projections.	4,922	4,922	4,922	4,922	4,922	4,922
Elimination of One-Time Items Recommended in FY12 Items recommended for one-time funding in FY12 will be eliminated from the base in the outyears.	0	-4,075	-4,075	-4,075	-4,075	-4,075
Economic Development Fund (EDF) This amount represents EDF transactions for FY13 and beyond.	0	2,000	0	0	0	0
Subtotal Expenditures	4,922	2,847	847	847	847	847



March 15, 2011

Montgomery County Economic Development Fund Annual Report

Isiah Leggett
County Executive

Timothy Firestine
Chief Administrative Officer

Valerie Ervin
Council President

Prepared by the
Department of Economic Development

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I. INTRODUCTION

The Montgomery County Economic Development Fund (“EDF” or “Fund”) was created on October 17, 1995 by the County Council to provide financial assistance to private employers who retain jobs and/or stimulate job creation in the County. The Executive Regulations provide special focus on high technology and manufacturing companies, businesses in urban revitalization areas, or other private employers that provide the greatest public benefits.

From its establishment in FY96 through FY98, the Fund was operated as a singular program, awarding grants and loans to eligible and qualifying businesses. In FY99, the County Executive recommended, and the County Council approved, the creation of the Technology Growth Program and the Emergency Agricultural Assistance Program to be operated under the auspices of the Economic Development Fund. In FY00, the Small Business Revolving Loan Program and the Demolition Loan Program were added to the Fund. In FY05, the Impact Assistance Program was added to the Fund. The Demolition Loan Program and the Emergency Agricultural Assistance Program were one-time programs.

As required by Article XII, Chapter 20-76 (b) of the Montgomery County Code, the Fund’s usage must be detailed in an annual report to the County Council. This 14th annual report summarizes the activities of all four active sub-programs of the Fund. To date, the County Council has approved \$33,285,490 in regular appropriations and supplemental appropriations for the Economic Development Fund programs.

	Total Appropriation for All Programs	Economic Development Grant/Loan Program (EDFGLP)	Supplemental Appropriation	Technology Growth Program (TGP)	Small Business Revolving Loan Program (SBRLP)	Demolition Loan Program	Emergency Agricultural Assistance Program	Impact Assistance Program (IAP)
FY96	\$1,000,000	\$1,000,000						
FY97	\$1,023,450	\$1,023,450						
FY98	\$1,548,540	\$1,048,540					\$500,000	
FY99	\$2,418,400	\$1,968,400		\$450,000				
FY00	\$3,301,780	\$1,251,780		\$450,000	\$500,000	\$100,000	\$1,000,000	
FY01	\$5,221,430	\$1,121,430	\$4,100,000					
FY02	\$2,221,430	\$621,430	\$1,600,000					
FY03	\$995,000	\$495,000			\$500,000			
FY04	\$6,840,750	\$237,520	\$6,375,000		\$228,230			
FY05	\$566,580	\$352,010			\$114,570			\$100,000
FY06	\$840,990	\$452,080			\$288,910			\$100,000
FY07	\$3,447,380	\$3,098,490			\$198,890			\$150,000
FY08	\$1,052,440	\$227,650			\$724,790			\$100,000
FY09	\$852,440	\$516,520			\$135,920			\$200,000
FY10	\$1,102,440	\$970,710			\$131,730			
FY11	\$852,440	\$755,670			\$96,770			
TOTAL	\$33,285,490	\$15,140,680	\$12,075,000	\$900,000	\$2,919,810	\$100,000	\$1,500,000	\$650,000

Notes:

- Due to the non-lapsing nature of EDF appropriation, the appropriation numbers for all programs are adjusted to reflect the total approved appropriations instead of new general transfers for each program. The County Council passed resolutions to re-appropriate encumbered appropriations, permitting them to be spent in the following fiscal year.

- Fund balances at the end of fiscal years are mostly comprised of the amount reserved for committed offers, loan repayments and investment income.

-The Demolition Loan Program and Emergency Agricultural Assistance Program are inactive and will not be included in the analysis of this report.

II. OVERVIEW OF EDF PROGRAM ACTIVITIES

The Economic Development Fund, administered by the Department of Economic Development (“DED” or the “Department”), has had a significant impact on the County’s economic development effort. With different sub-programs designed to meet the varying needs of businesses of industry types and sizes, the Fund is a flexible and results-producing economic development tool, especially during the challenging economic times.

Since the Fund’s inception, the Fund has enabled the County to effectively compete with other jurisdictions for businesses that have significant strategic importance. Moreover, it catalyzed resident companies’ expansion in the County. Many businesses have decided to stay in the County to expand their operations, and a growing number of businesses have been attracted to the County. The County has successfully stimulated significant private investment in the County by using the Fund’s resources to selectively provide assistance to qualifying companies.

With selective utilization of the Economic Development Fund Grant/Loan Program (“EDFGLP”) and the Small Business Revolving Loan Program (“SBRLP”), DED is also actively promoting the growth of early-stage high technology businesses and helping small businesses successfully launch start-up operations in the County.

Depending on the sub-program, businesses are screened and evaluated through:

- A fiscal impact analysis;
- A technology and commercialization feasibility analysis;
- A credit worthiness and debt repayment capacity analysis;
- A secondary and tertiary economic impact analysis;
- An analysis of the strategic significance of a project; and,
- Other necessary due diligence procedures.

The Department, in cooperation with the County’s Department of Finance, uses these analyses and procedures to ensure that the net fiscal impact to the County is positive and/or the strategic objectives of the County are achieved. Most offers of financial assistance from the Fund are contingent upon the availability of funds, certain disbursement criteria, and performance requirements.

This report will summarize the Fund’s cumulative activities since its inception in 1995, and describe the Fund’s activities during the current Report Year from 3/1/2010 to 2/28/2011 (“Report Year 2011” or “RY 2011”).

Due to the very dynamic nature of business expansion/relocation projects, the Department makes its best effort to provide a summary that is not only accurate, but as current as possible. As such, data contained in this report or any of the past annual reports should not be interpreted as “static,” as data can and will be adjusted retroactively.

- **Highlights To Date**
(Cumulative since inception in 1995)

EDF Appropriations & Disbursements

Cumulative Regular and Supplemental Appropriations.....	\$33,285,490
Cumulative Disbursements.....	\$33,093,783

Revenue

Actual Real Estate & Personal Property Tax Collected (1999-2010) from the EDF-assisted Companies	\$111 million
Total EDFGLP/TGP Grant and Loan Repayments	\$3,899,327
Total SBRLP Loan Repayments.....	\$985,216

EDF Grant/Loan Program Performance

Number of EDFGLP Funded and Committed Transactions.....	154
Total Jobs Retained, Created & to be Created.....	28,000+
State Funds Leveraged.....	\$44+ Million
Total Private Capital Investment Induced..... Billion	\$1.14

EDF Assistance to Companies in the County's Incubator Network

Number of Incubator Companies Assisted by EDFGLP/TGP/SBRLP.....	54
Total Amount of Financial Assistance Provided.....	\$3,295,000

***Property Taxes Paid by EDF-assisted Companies
that Expanded into Brand New Properties***

Discovery Communications	Property tax \$1.8 million/yr.
Marriott International.....	Property tax \$1.7 million/yr.
MedImmune (now AstraZeneca).....	Property tax \$1.2 million/yr.
Aspen Systems Corp. (acquired by Lockheed Martin)..	Property tax \$1 million/yr.
JDSU (formerly Acterna)	Property tax \$850,000/yr.
Qiagen Sciences & Digene Corporation	Property tax \$824,000/yr.
Thales Communications	Property tax \$149,000/yr.

- **Highlights for Report Year 2011**
(3/1/2010 - 2/28/2011)

EDF Appropriations & Disbursements

EDF Appropriations for FY10	\$ 852,440
Fund Balance Re-Appropriations for FY10	\$1,509,006
EDF Appropriations for FY11.....	\$ 852,440
Fund Balance Re-Appropriations for FY11	\$ 726,126
(Cash balance at the end of FY10)	
CE Recommended EDF Appropriations for FY12	\$4,922,280
Actual Real Estate & Personal Property Tax Collected in 2010 from 154 EDFGLP-assisted companies.....	\$12+ million
No. of New EDFGLP Offers Made... ..	16
No. of New EDFGLP Offers Accepted.....	12
No. of EDFGLP Offers Closed	5
New Attractions to Montgomery County.....	2
Total Amount Disbursed.....	\$ 410,000
Private Capital Investment Induced or to be Induced.....	\$ 15 million

Noteworthy Projects to the County

- Advanced Bioscience Laboratories, Inc.
 - Relocation of its headquarters within the County
 - Retention of 97 jobs and projection creation of 31 new jobs
 - Projected \$13 million in capital investment
- Choice Hotels International, Inc.
 - Retention and relocation of the renowned hospitality company in the County
 - Retention of 375 job and projected creation of 75 new jobs
 - Projected \$89 million in capital investment

- **Fund Balance**

Cumulative Fund Appropriations & Disbursement Status:

Total Regular and Supplemental Appropriations ¹	\$ 33,285,490
Funds Disbursed	<u>Total Disbursement</u>
EDFGLP	\$ 24,055,000
TGP	\$ 3,960,000
SBRLP	\$ 2,117,500
Impact Assistance Program	\$ 477,521
Export Montgomery	\$ 11,762
Demolition Loan	\$ 100,000
Agricultural Assistance	\$ 1,500,000
Operating Cost ²	<u>\$ 872,000</u>
Total Disbursed	\$ 33,093,783

1. *The approved appropriation includes both new money from the County's General Fund as well as re-appropriated amounts based on projected revenue/loan repayments and investment income on the Fund balance. Actual revenue realized could be more or less than the approved appropriation. The Fund balance at the end of each fiscal year is re-appropriated into the following fiscal year.*

2. *Starting in FY03, as approved by the Office of Management and Budget ("OMB"), a part of the Fund-related personnel costs are directly charged to the Fund. This cost is estimated for the period from 7/1/2002 through 2/28/11.*

FY11 Fund Balance for All Programs as of 2/28/11:

FY11 Appropriation for All Programs	\$ 852,440
FY10 Year End Balance Re-appropriated for FY11	<u>\$ 726,126</u>
Total Appropriation for All Programs for FY11	\$ 1,578,566

FY11 Year-to-Date Disbursement for All Programs:

EDFGLP	\$ 410,000
TGP	\$ 40,000
SBRLP	\$ 30,000
Impact Assistance Program ("IAP")	\$ -
Est. Personnel Cost for FY10 (Full Year Reserve)	<u>\$ 120,000</u>
Total	\$ 600,000

Available Fund Balance for All Programs for Remaining FY11 \$ 978,566

Reserved for SBRLP	\$ 668,749
Reserved for IAP	\$ 22,479
Remaining balance for EDFGLP	\$ 287,338

- **Fund Disbursement and Commitment**

1. **Status of Offers:**

	<u>Report Year 2011</u>	<u>Cumulative Total</u>
a) Offers Made:	16	273
b) Offers Accepted:	12	163
c) Offers Closed/Funded:	5	154

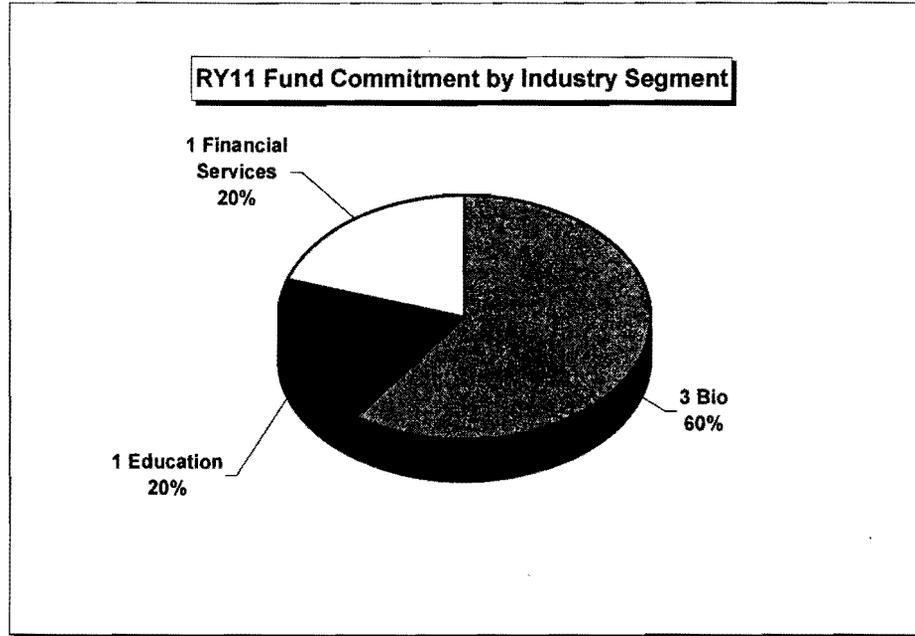
Note: To allow a more effective use of the Fund balance, some "Offers made" and "Offers accepted" were negotiated to be disbursed over multiple fiscal years, subject to supplemental appropriations. Some "Offers accepted" take more than two to three years before they close. "Offers accepted" and "Offers closed" are tracked separately because not all offers close in the reporting period when they are accepted. Unless both categories are tracked, program activities in a given year cannot be described accurately. In Report Year 2011, of the sixteen offers made, twelve offers were accepted, one offer was declined, and the remaining three offers are still pending. The five offers closed/funded in RY11 did not necessarily originate from the twelve offers accepted in RY11.

2. **Program Usage: (Offers Closed/Funded)**

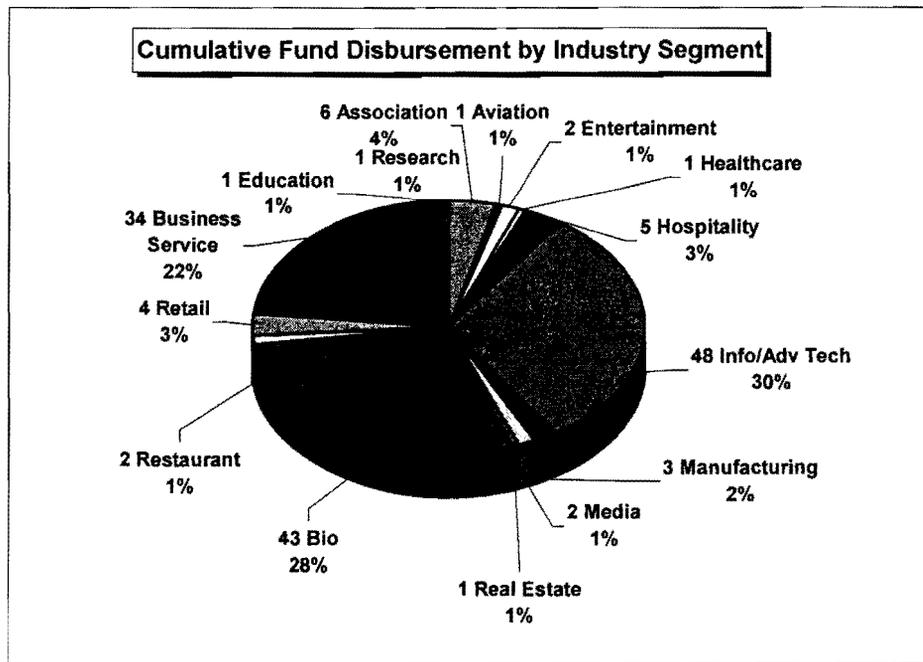
	<u>Report Year 2011</u>	<u>Cumulative Total</u>
d) Retention	3	100
e) Attraction	2	54
f) Total Use	5	154

3. EDF Grant and Loan Program Fund Disbursement by Industry Sector:

- Report Year 2011

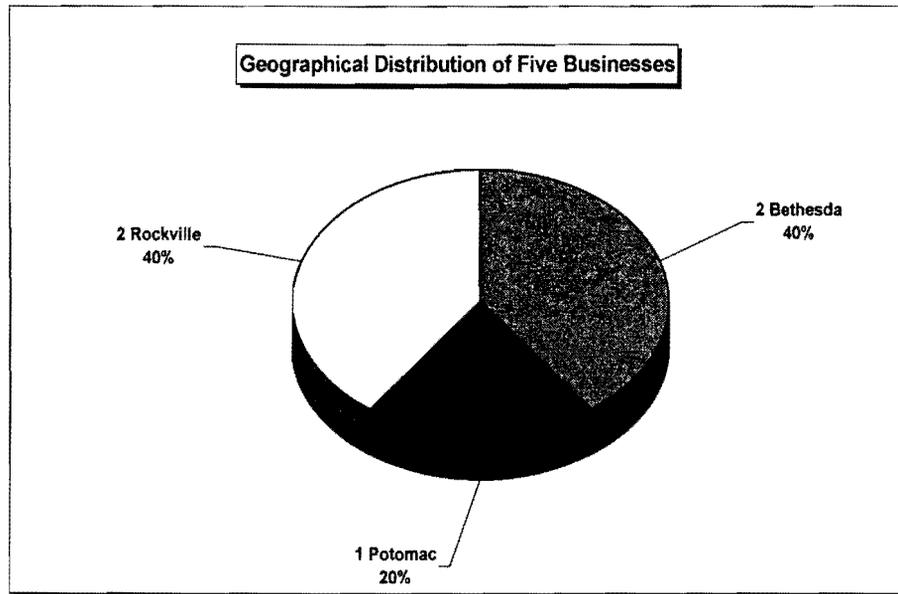


- Cumulative through Report Year 2011

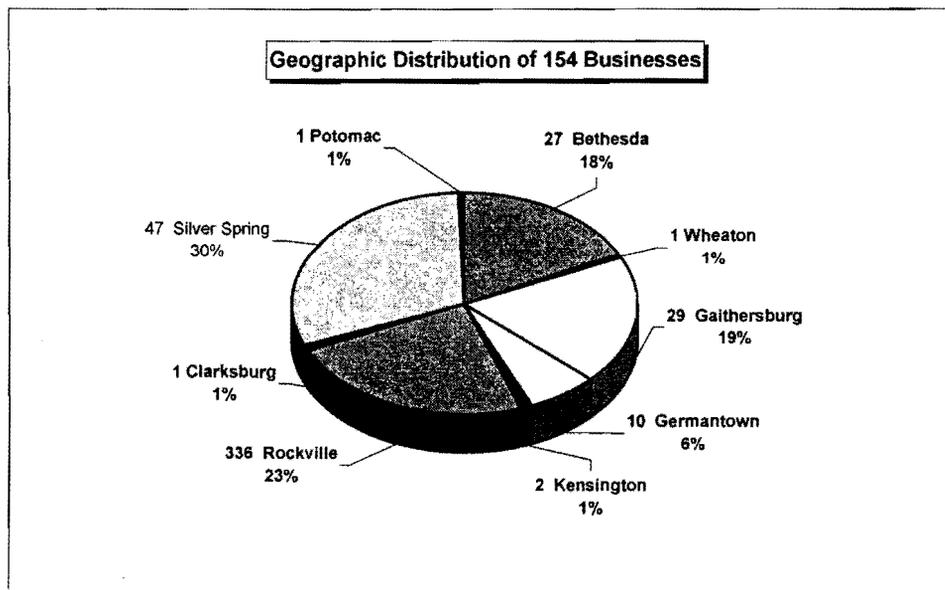


4. EDF Grant and Loan Program Fund Disbursements by Location in the County:

- Report Year 2011



- Cumulative through Report Year 2011



III. OBJECTIVES OF EDF PROGRAMS

The Programs of the Economic Development Fund enable the County to accomplish the following objectives critical to the economic future of the County.

- A. Creating Economic Impact
- B. Providing Financial Assistance to Businesses
- C. Leveraging State Funding
- D. Serving as an Economic Development Barometer
- E. Gathering Intelligence on Market Conditions
- F. Cultivating Long-Term Positive Relationships with Resident Businesses
- G. Enhancing the Success of the County's Incubator Program
- H. Providing Access to Capital for Small Businesses
- I. Provide Seed Funding for Companies in Targeted Industries

A. Creating Economic Impact

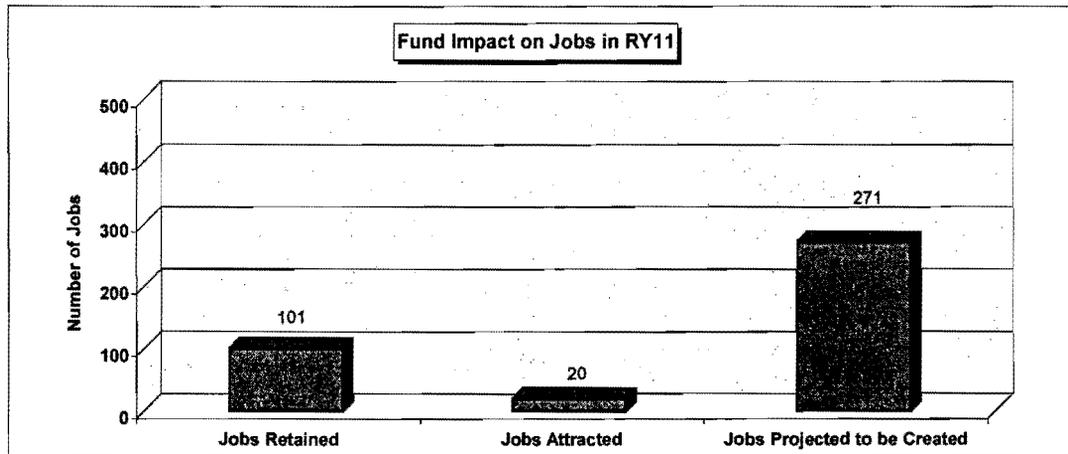
The EDF programs for business attraction and expansion remain successful. The economic impact of the Fund, as evidenced by the fiscal impact analysis and actual tracking through the County's tax revenue database, has been significant. The following charts illustrate the EDFGLP's economic impact from activities in Report Year 2011, and the total cumulative impact since its inception in 1995 through the end of Report Year 2011.

All statistics and illustrations are based on 154 companies. These companies have either received EDF funding or accepted an EDF offer.

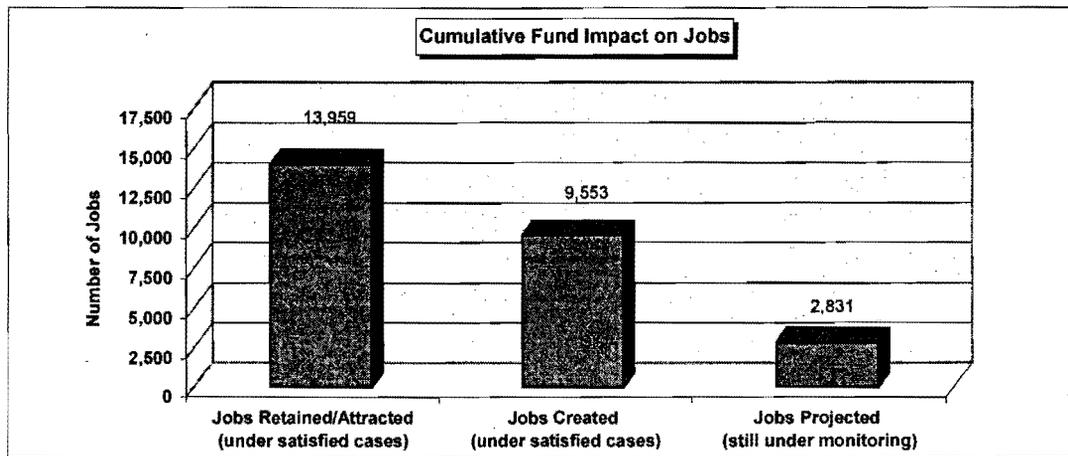
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1. EDF Grant and Loan Program Impact on Jobs

- Report Year 2011



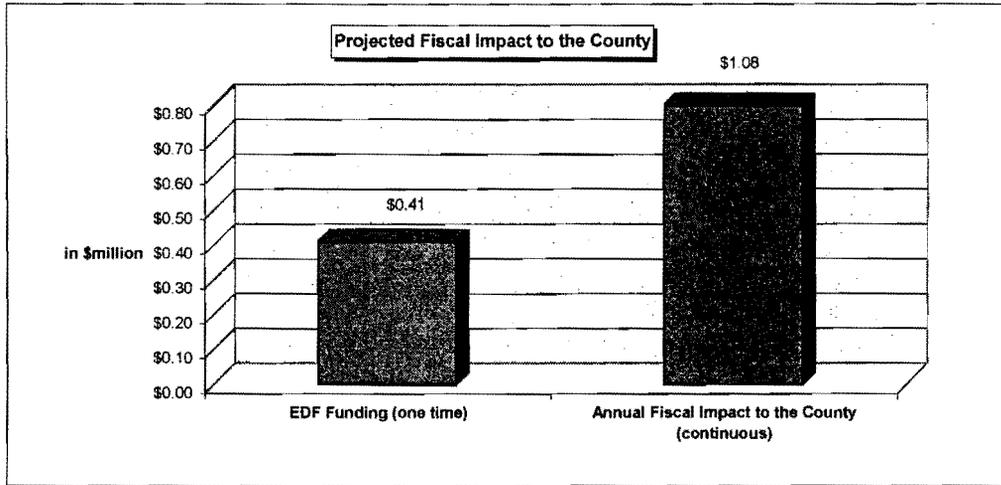
- Cumulative through Report Year 2011



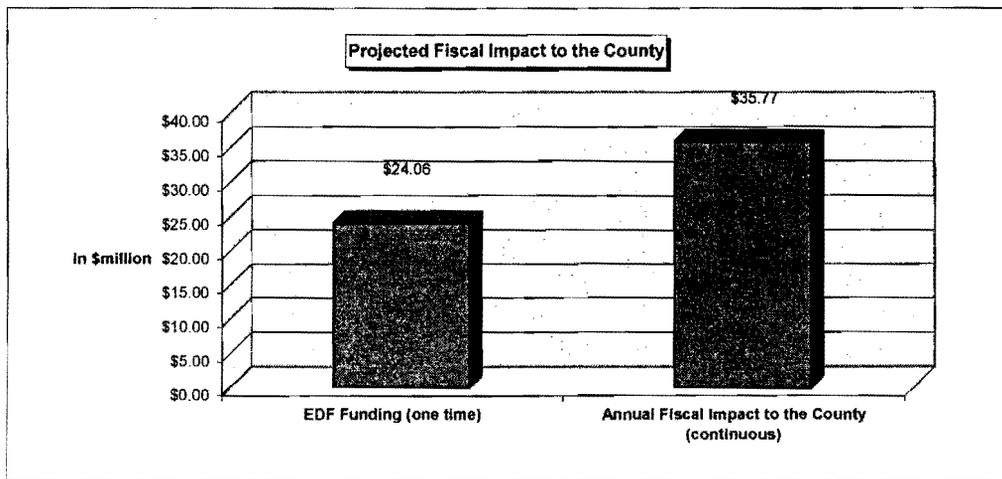
** For the companies that either moved out of the County or closed their operations during the EDF monitoring period, the peak annual employee number during their stay in the County was used.*

2. EDF Grant and Loan Program Contribution to County Revenue

- Report Year 2011

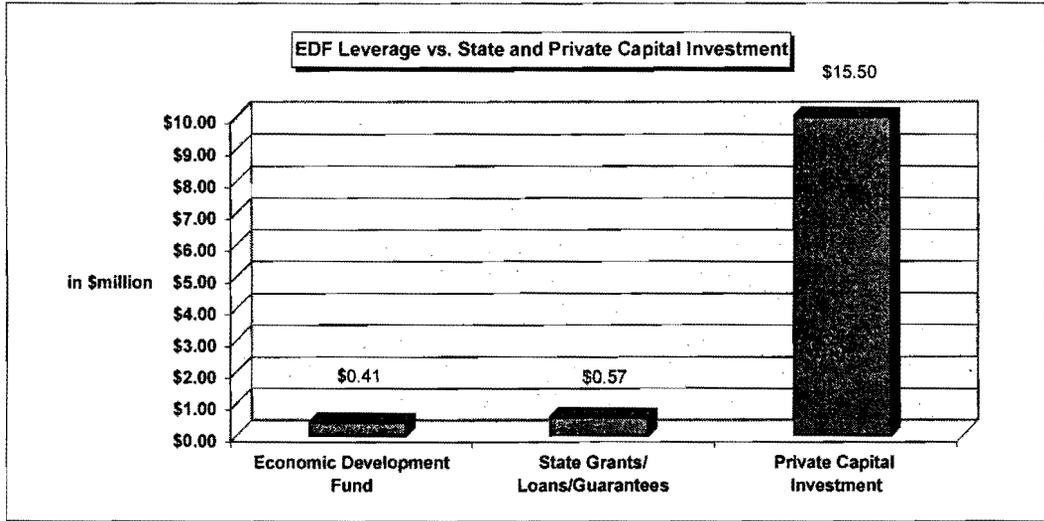


- Cumulative through Report Year 2011

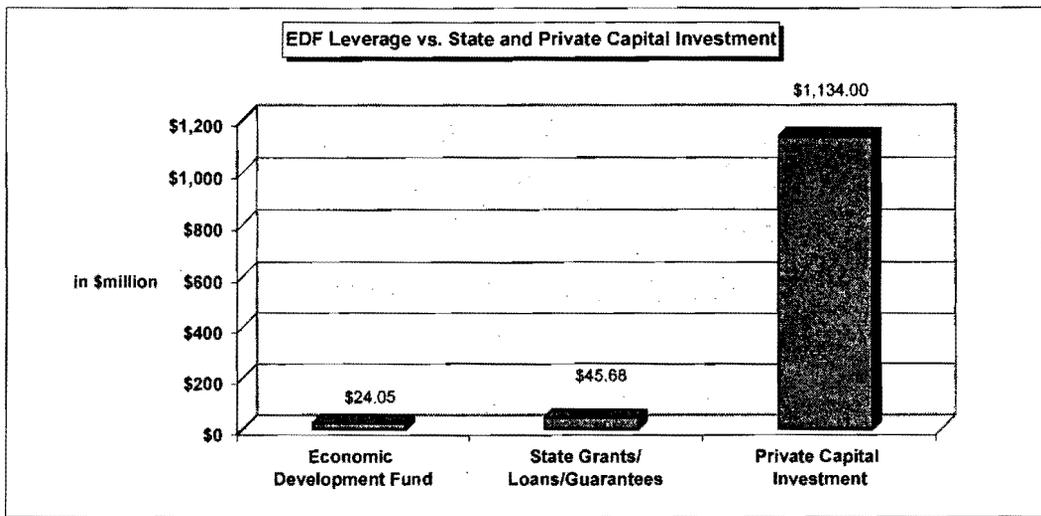


3. EDF Grant and Loan Program Leverage of State and Private Capital Investment

- Report Year 2011

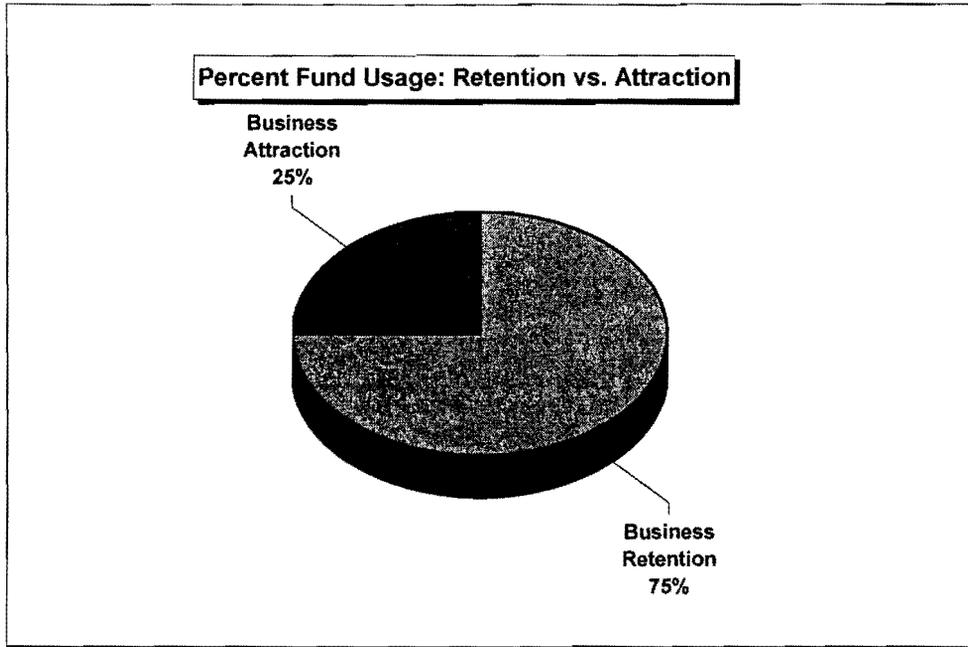


- Cumulative through Report Year 2011

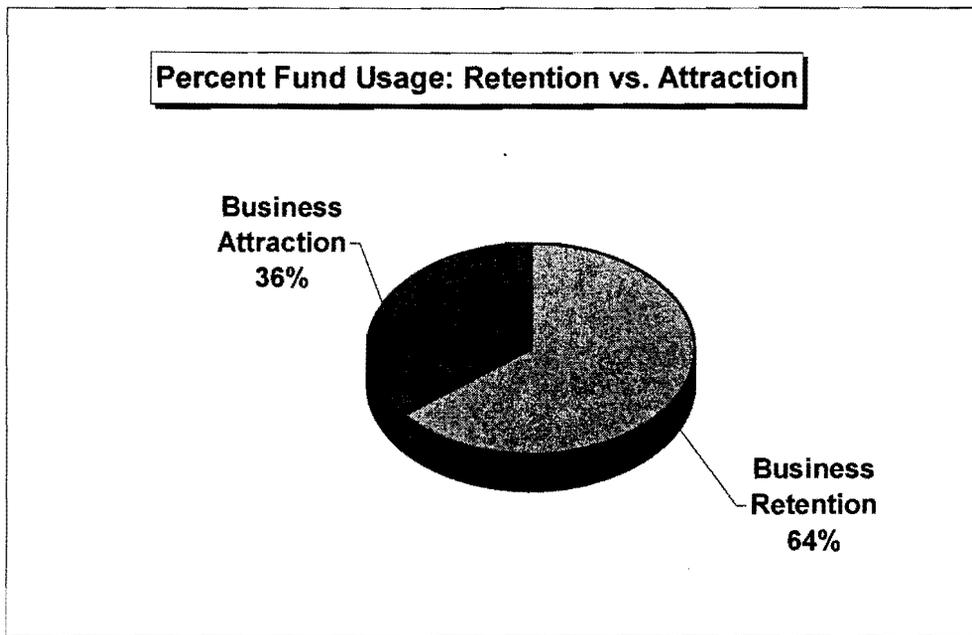


4. EDF Grant and Loan Program Use for Business Retention and Attraction

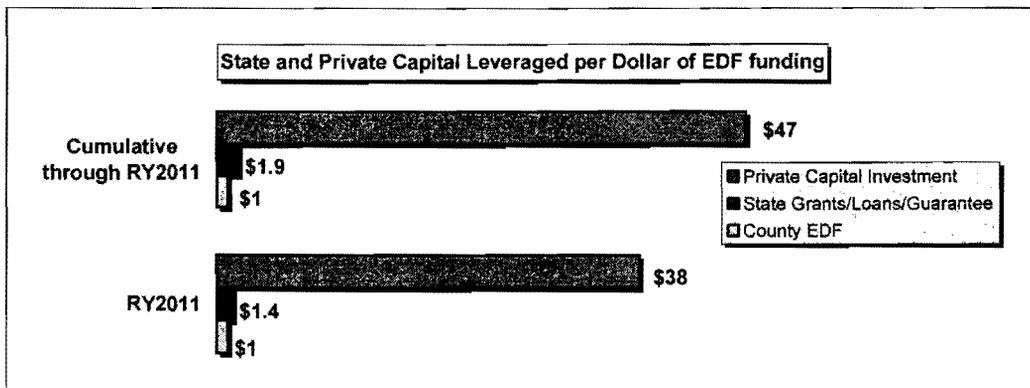
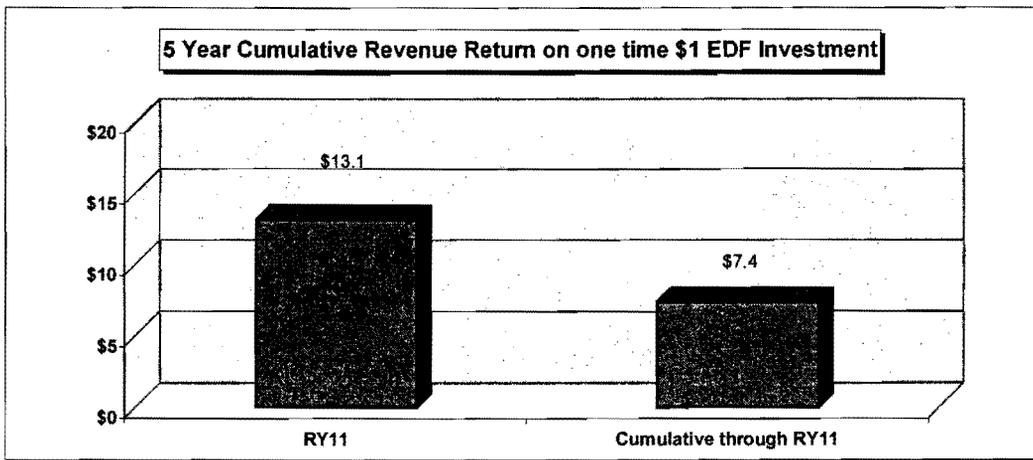
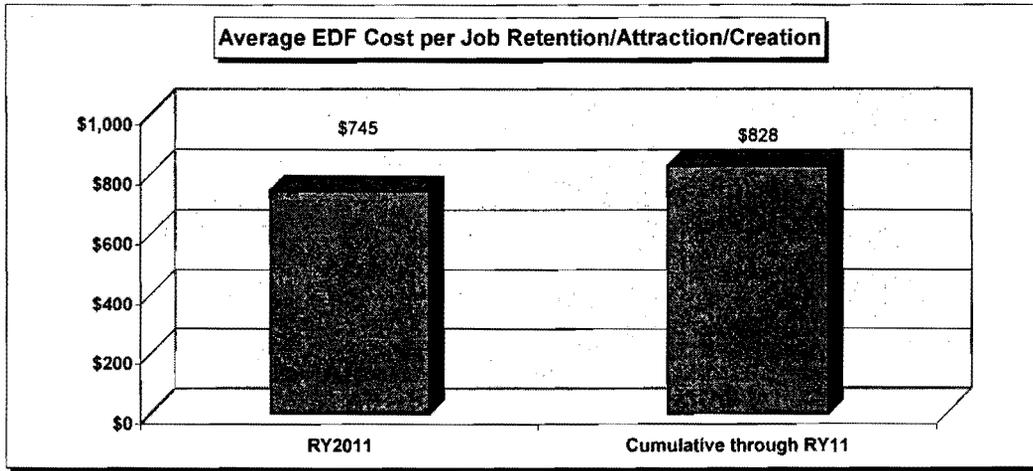
- Report Year 2011



- Cumulative through Report Year 2011



5. EDF Grant and Loan Program Performance Measures



- B. **Providing Financial Assistance to Businesses** - EDF is a powerful and flexible economic development tool. This is an effective way of substantiating the County's pro-business commitment and maintaining its competitive advantage. With the addition of TGP, SBRLP, and IAP, the Fund has truly become a versatile program capable of assisting a wide range of businesses of various sizes and industry types in the County.
- C. **Leveraging State Funding** - EDF has enabled the County to effectively leverage financial assistance from the Maryland Department of Business and Economic Development ("DBED"). DED has made a deliberate effort to leverage County funding by seeking funding from DBED and other State resources whenever possible. To date, the State has funded \$44 million in grants and loans to companies in the County and contributed \$1 million seed funding for the County's SBRLP.
- D. **Serving as an Economic Development Barometer** - Negotiations with business prospects enable the County to effectively assess its current and long-term economic development incentives and strengthen its economic development public policy.
- E. **Gathering Intelligence on Market Conditions** - Negotiations with business prospects allow DED to learn about the economic development strategies of competing jurisdictions as well as prevailing rates and practices in commercial leasing market. This information allows the County to compare key social and economic parameters.
- F. **Cultivating Long-Term Positive Relationship with Resident Businesses** - The Fund's Programs require annual performance monitoring of recipient businesses. With these frequent contacts, the County maintains a positive relationship with businesses and assists them on a regular basis.
- G. **Enhancing the Success of Incubator Programs** - The Fund's Programs have been a strategic tool for the County to attract and retain a high volume of early stage companies in the County's Incubator Network Program by providing critical seed funding.
- H. **Providing Access to Capital for Small Businesses** - SBRLP provides access to capital for small businesses that have difficulties in obtaining financing from conventional sources.
- I. **Provide Seed Funding for Targeted Industries** - TGP provides pivotal financing to early-stage high technology companies in targeted industries.

IV. EDF GRANT AND LOAN PROGRAM OFFERS ACCEPTED AND DISBURSED

As of February 28, 2011, Montgomery County has funded 154 EDFGLP transactions totaling \$24,055,000 and has also committed to fund additional eight EDFGLP transactions with a total committed amount of \$9,885,000. The breakdown of those transactions is as follows:

A. Funding before Report Year 2011

The following table provides the summary the 150 funded transactions before Report Year 2011. Please note that total funded transactions do not necessarily reflect total offers accepted in one given year. Not all offers close in the reporting year when they are accepted.

NO	COMPANY	INDUSTRY	EDFGLP FUNDING	LOCATION	PRIVATE INVESTMENT
1	American Osteopathic Healthcare Ass.	Association	\$20,000	Bethesda	\$330,000
2	Fresh Fields/Whole Foods	Retail HQ	\$75,000	Rockville	\$450,000
3	Information Systems & Services, Inc.	Info-Tech	\$5,000	Silver Spring	\$450,000
4	Medtap, International	Bio-Medical	\$40,000	Bethesda	\$625,000
5	MicroDynamics	Technology	\$30,000	Silver Spring	\$300,000
6	National Council of Senior Citizens	Association	\$50,000	Silver Spring	\$900,000
7	NEXGEN	Info-Tech	\$15,000	Silver Spring	\$230,000
8	Palmer Brothers Painting	Contractor	\$30,000	Silver Spring	\$350,000
9	Preferred Pediatrics (Children's Hospital)	Business Service	\$20,000	Silver Spring	\$142,000
10	Technology Service Corporation	Technology	\$100,000	Silver Spring	0
11	Washington Consulting Group	Technology	\$25,000	Bethesda	\$500,000
12	First Federal Corporation	Info-Tech	\$150,000	Gaithersburg	\$4,500,000
13	JZA	Business Service	\$20,000	Bethesda	\$232,000
14	Information Systems & Solutions, Int'l	Business Service	\$50,000	Silver Spring	\$1,050,000
15	BGS&G Companies	Business Service	\$20,000	Silver Spring	\$320,000
16	Forte Software	Info-Tech	\$15,000	Rockville	\$300,000
17	National Micrographics	Technology	\$5,000	Silver Spring	0
18	Decision Systems Technologies	Info-Tech	\$75,000	Rockville	\$1,215,000
19	Aspen Systems Corporation Phase I	Info-Tech	\$100,000	Rockville	\$4,700,000
20	Electronic Data Systems, Inc.	Info-Tech	\$25,000	N. Bethesda	\$1,250,000
21	Foster (amended)	Business Service	\$30,000	N. Bethesda	\$800,000
22	McKesson Bioservices	Bio-Med	\$75,000	Gaithersburg	\$5,000,000
23	Infopro, Inc.	Business Service	\$25,000	Silver Spring	\$330,000
24	Johnson, Basin, & Shaw	Business Service	\$10,000	Silver Spring	\$200,000
25	Takoma Park Silver Spring Food Co-op	Retail HQ	\$15,000	Silver Spring	\$340,000
26	Cellmark Diagnostics, Inc.	Bio-Med	\$45,000	Germantown	\$1,000,000
27	Thomson Technology Services Group	Info-Tech	\$80,000	Rockville	\$5,000,000
28	KRA, Inc.	Info-Tech	\$25,000	Silver Spring	\$360,000
29	Hekimian	Bio-Med	\$35,000	Rockville	\$13,200,000
30	Ferris, Baker, Watts, Inc.	Business Service	\$15,000	Silver Spring	\$600,000
31	CenterForce Technology	Info-Tech	\$20,000	Bethesda	\$230,000
32	Gemelli	Manufacturer	\$3,000	Silver Spring	\$20,000
33	Acacia	Business Service	\$200,000	Bethesda	\$6,500,000
34	Ernst & Young, LLP	Business Service	\$75,000	Bethesda	\$1,500,000
35	Oleen Healthcare Information Mgmt.	Business Service	\$30,000	Silver Spring	\$505,000

NO	COMPANY	INDUSTRY	EDFGLP FUNDING	LOCATION	PRIVATE INVESTMENT
36	Caelum Research Corporation	Info-Tech	\$125,000	Rockville	\$1,056,000
37	Gene Logic, Inc.	Bio-Tech	\$98,000	Gaithersburg	\$9,600,000
38	ADP Benefit Services	Business Service	\$15,000	Silver Spring	\$700,000
39	Counter Technologies, Inc.	Info-Tech	\$40,000	Bethesda	\$400,000
40	Cary Medical, Inc.	Bio-Tech	\$30,000	Bethesda	\$10,000
41	Analytical Sciences, Inc.	Business Service	\$35,000	Silver Spring	\$1,100,000
42	ISSI (Convista Incorporated)	Business Service	\$10,000	Silver Spring	\$370,000
43	Torti Gala and Partners, Inc.	Business Service	\$40,000	Silver Spring	\$100,000
44	Prolist, Inc.	Business Service	\$40,000	Gaithersburg	\$3,100,000
45	Aspen Systems Corporation Phase II	Info-Tech	\$100,000	Rockville	see Phase I
46	Origene Technologies, Inc.	Bio-Tech	\$50,000	Rockville	\$300,000
47	Neurotrophic Research Corporation	Bio-Tech	\$35,000	Bethesda	\$130,000
48	Optelecom, Inc.	Manufacturer	\$60,000	Gaithersburg	\$130,000
49	EntreMed, Inc.	Bio-Tech	\$75,000	Rockville	\$8,000,000
50	NextLinx Corporation	Info-Tech	\$45,000	Silver Spring	\$160,000
51	Café Monet, LLC	Retail	\$15,000	Kensington	\$220,000
52	Digicon Corporation	Info-Tech	\$60,000	Rockville	\$1,238,000
53	Prospects Associates	Business Service	\$50,000	Silver Spring	\$880,000
54	The Institute for Genomic Research	Bio-Tech	\$50,000	Gaithersburg	\$10,000,000
55	Sytel, Inc.	Info-Tech	\$95,000	Bethesda	\$540,000
56	BioReliance Corporation	Bio-Tech	\$200,000	Gaithersburg	\$30,000,000
57	Softmed Systems, Inc.	Info-Tech	\$90,000	Bethesda	\$1,451,000
58	Maryland Association for Non-profit	Non-Profit	\$20,000	Silver Spring	\$158,500
59	Earle Palmer Brown	Business Service	\$25,000	Bethesda	\$1,900,000
60	GTM Architects, Inc.	Business Service	\$25,000	Kensington	\$300,000
61	Doxsys, Inc.	Info-Tech	\$25,000	Bethesda	\$667,000
62	Palladian Partner, Inc.	Info-Tech	\$22,000	Gaithersburg	\$71,700
63	Sodexo Marriott	Hospitality	\$250,000	Rockville	\$4,900,000
64	BAE Systems North America, Inc.	Info-Tech	\$150,000	Rockville	\$5,000,000
65	ParaGea Communications, Inc.	Bio-Tech	\$25,000	Gaithersburg	\$514,000
66	International Genetics Associates, Inc.	Bio-Tech	\$50,000	Rockville	\$380,000
67	Immersion Medical	Bio-Tech	\$35,000	Gaithersburg	\$1,160,000
68	Panacea Pharmaceutical	Info-Tech	\$50,000	Rockville	\$75,000
69	DC Information Systems, Inc.	Info-Tech	\$50,000	Silver Spring	\$35,000
70	BIOMAT Sciences	Bio-Tech	\$40,000	Rockville	\$50,000
71	Gen Vec	Bio-Tech	\$125,000	Gaithersburg	\$15,500,000
72	Collective Communication Corporation	Info-Tech	\$60,000	Silver Spring	\$490,000
73	Medispec, Ltd.	Technology	\$25,000	Gaithersburg	\$400,000
74	View Point Communication	Info-Tech	\$7,000	Silver Spring	\$463,000
75	NASD	Business Service	\$200,000	Rockville	\$69,600,000
76	Choice Hotels International, Inc.	Hospitality	\$500,000	Silver Spring	\$11,270,811
77	Digene	Bio-Tech	\$90,000	Gaithersburg	\$18,000,000
78	The ARC of the United States	Association	\$40,000	Silver Spring	\$620,000
79	Wolpoff and Abramson	Business Service	\$90,000	Rockville	\$15,300,000
80	ISSI Consulting Group, Inc.—Phase II	Info-Tech	\$25,000	Silver Spring	\$855,000
81	High Tech Council of Maryland	Association	\$71,500	Rockville	\$71,500
82	Multispectral Solutions, Inc.	Info-Tech	\$50,000	Germantown	\$100,000
83	Viaken Systems, Inc.	Bioinformatics	\$50,000	Gaithersburg	\$150,000
84	Recovery Point Systems, Inc.	Info-Tech	\$90,000	Germantown	\$8,225,000
85	Telperion Networks, Inc.	Info-Tech	\$35,000	Gaithersburg	\$1,000,000
86	Discovery Communications-Caldor Site Project	Media	\$170,000	Silver Spring	\$35,000,000

NO	COMPANY	INDUSTRY	EDFGLP FUNDING	LOCATION	PRIVATE INVESTMENT
87	Information Resources Associates, Inc.	Info-Tech	\$30,000	Silver Spring	\$84,700
88	Bid4asset.com, Inc.	Info-Tech	\$75,000	Silver Spring	\$400,000
89	Qiagen Sciences, Inc.	Bio-Tech	\$1,100,000	Germantown	\$42,000,000
90	Amrex, LLC	Bio-Tech	\$70,000	Germantown	\$130,000
91	Origene, Inc.	Bio-Tech	\$85,000	Rockville	\$3,080,000
92	Covance Health	Business Service	\$100,000	Gaithersburg	\$6,300,000
93	Intervise Consultants, Inc.	Info-Tech	\$100,000	Rockville	\$10,150,000
94	Marriott International, Inc.	Hospitality	\$3,000,000	Gaithersburg	\$99,000,000
95	Arbros Communications, Inc.	Technology	\$100,000	Silver Spring	\$4,000,000
96	Discovery Communications, Inc.	Media	\$600,000	Silver Spring	\$150,000,000
97	Gene Logic, Inc. (Phase II)	Bio-Tech	\$100,000	Gaithersburg	\$34,700,000
98	Manugistics	Info-Tech	\$90,000	Germantown	\$9,200,000
99	Social & Scientific Systems	Business Service	\$100,000	Silver Spring	\$18,000,000
100	Quanta Bioscience, Inc.	Bio-Tech	\$80,000	Rockville	\$100,000
101	Social and Scientific Systems, Inc.	Business Service	\$18,000	Silver Spring	\$18,000,000
102	Thales Communications, Inc.	Technology	\$35,000	Clarksburg	\$5,000,000
103	Online Technologies Group, Inc.	Info-Tech	\$120,000	Rockville	\$22,000,000
104	OPNET Technologies, Inc.	Info-Tech	\$150,000	Bethesda	\$15,600,000
105	NeuralStem, Inc.	Bio-Tech	\$40,000	Gaithersburg	\$6,000,000
106	Acterna LLC	Technology	\$1,100,000	Germantown	\$49,200,000
107	SAS Inc.	Technology	\$75,000	Rockville	\$2,625,000
108	Panacos Pharmaceuticals, Inc.	Bio-Tech	\$30,000	Gaithersburg	\$150,000
109	Primary Care Coalition of Montgomery	Non-Profit	\$6,000	Gaithersburg	\$140,000
110	MaxCyte	Bio-Tech	\$80,000	Rockville	\$1,550,000
111	Imatek	Manufacturer	\$16,000	Germantown	\$1,395,000
112	MedImmune, Inc.	Bio-Tech	\$500,000	Gaithersburg	\$71,250,000
113	Advancis Pharmaceutical	Bio-Tech	\$75,000	Germantown	\$12,000,000
114	Intradigm Corp	Bio-Tech	\$30,000	Rockville	\$500,000
115	Cubanos Restaurant	Retail	\$18,500	Silver Spring	\$60,000
116	Aspen Group, Inc.	Business Service	\$10,000	Silver Spring	\$548,000
117	American Youth Hostels, Inc.	Business Service	\$10,000	Silver Spring	\$36,800
118	United Healthcare Services	Healthcare	\$30,000	Rockville	\$1,154,000
119	About Web	Info-Tech	\$40,000	Rockville	\$145,000
120	Center for Behavioral Health	Business Service	\$100,000	Rockville	\$1,300,000
121	TV One	Broadcasting	\$100,000	Silver Spring	\$250,000
122	Kierkegaard & Perry Laboratories, Inc.	Bio-Tech	\$25,000	Gaithersburg	\$1,650,000
123	BSI Proteomics, Inc.	Bio-Tech	\$50,000	Gaithersburg	\$80,000
124	Encore Management Corp.	Business Service	\$100,000	Silver Spring	\$1,100,000
125	MacroGenics, Inc.	Bio-Tech	\$50,000	Rockville	\$1,900,000
126	Eakin/Youngentob Associates, Inc.	Real Estate	\$60,000	Bethesda	\$500,000
127	Proxy Aviation, Inc.	Aviation	\$50,000	Germantown	\$500,000
128	Kierkegaard & Perry Laboratories, Inc.	Bio-Tech	\$75,000	Gaithersburg	\$3,100,000
129	Wheaton Plaza Regional Shopping Center	Retail	\$6,000,000	Wheaton	\$150,000,000
130	World Space, Inc.	Info-Tech	\$200,000	Silver Spring	\$10,250,000
131	8606 Colesville Road, LLC	Food	\$100,000	Silver Spring	\$625,000
132	Health Through Friendship	Info-Tech	\$15,000	Rockville	\$125,000
133	Bethesda Cultural Alliance, Inc.	Performing Arts	\$1,875,000	Bethesda	\$5,000,000
134	International Municipal Lawyers Assoc.	Business Service	\$10,000	Bethesda	\$100,000
135	The Birchmere Project	Performing Arts	\$150,000	Silver Spring	N/A
136	Host International	Hospitality	\$100,000	Bethesda	\$7,800,000
137	Xceleron	Bio-Tech	\$100,000	Germantown	\$3,489,000

NO	COMPANY	INDUSTRY	EDFGLP FUNDING	LOCATION	PRIVATE INVESTMENT
138	Sigma-Tau Pharmaceuticals, Inc.	Bio-Tech	\$60,000	Gaithersburg	\$2,000,000
139	Novavax (remaining contingent commitment \$100K)	Bio-Tech	\$100,000	Rockville	\$6,900,000
140	WeddingWire, Inc.	Info-Tech	\$25,000	Bethesda	\$100,000
141	TIG Global	Info-Tech	\$50,000	Bethesda	\$1,800,000
142	Innovative Biosensors, Inc.	Info-Tech	\$50,000	Rockville	\$370,000
143	EKA Systems	Info-Tech	\$50,000	Germantown	\$300,000
144	InfosPhenix	Info-Tech	\$50,000	Clarksburg	\$310,000
145	ClassifEye, Inc.	Info-Tech	\$75,000	Rockville	\$750,000
146	OpGen, Inc.	Bio-Tech	\$10,000	Gaithersburg	\$500,000
147	Lockheed Martin Corporation	Info-Tech	\$40,000	Bethesda	\$3,000,000
148	RNL Biostar	Bio-Tech	\$230,000	Germantown	\$6,000,000
149	Zyngenia (remaining contingent commitment \$1M)	Bio-Tech	\$500,000	Rockville	\$50,000,000

B. Funding in Report Year 2011

NO	COMPANY	INDUSTRY	EDFGLP FUNDING	LOCATION	PRIVATE INVESTMENT
150	International Bacclaureate	Education	\$150,000	Bethesda	\$1,250,000
151	UnionBridge Management, LLC	Bio-Tech	\$50,000	Potomac	\$492,00
152	Noble Life Sciences, Inc.	Bio-Tech	\$50,000	Rockville	\$300,000
153	Advanced Bioscience Laboratories, Inc.	Bio-Tech	\$80,000	Rockville	\$13,000,000
154	Beech Street Capital	Financial Serv.	\$80,000	Bethesda	\$450,000

C. Commitment in Report Year 2011

For the following committed transactions, some of the funds will be disbursed over a period of up to 10 years subject to approval of supplemental appropriation and availability of funds during those fiscal years.

NO	COMPANY	INDUSTRY	EDFGLP FUNDING	LOCATION	PRIVATE INVESTMENT
155	Thales Communications, Inc.	IT	\$325,000	Clarksburg	\$4,600,000
156	Wheaton Plaza Regional Shopping Center, LLP	Retail Center	\$4,000,000	Wheaton	\$50,000,000
157	Choice Hotels International, Inc.	Hospitality	\$4,320,150	Rockville	\$89,500,000
158	Government Sales Specialists, LLC	Prof. Service	\$40,000	Bethesda	\$177,000
159	Neogenix Oncology, Inc.	Bio-Tech	\$100,000	Rockville	\$100,000
160	Alvarion	Bio-Tech	\$45,000	Rockville	\$150,000

161	Rite Aid Specialty Pharmacy	Business Serv.	\$50,000	TBD	TBD
162	Host Hotels and Resorts	Real Estate	\$60,000	Rockville	\$1,400,000

D. Impact Assistance Program

In FY05, the Impact Assistance Program was approved by the County Council and \$100,000 was appropriated for seed funding. The purpose of this Program is to mitigate, as much as possible, any adverse impact that small businesses might be experiencing due to County-initiated development, re-development, or renovation projects. The County Council appropriated a total of \$650,000 to support increasing activities under this Program.

Since the inception of the Program, the following businesses have received impact assistance funding totaling \$477,521:

N O	COMPANY	FUNDING RECEIVED	LOCATION
1	ITB Eight, LLC D/B/A Black's Bar and Kitchen	\$8,400	Bethesda
2	Moren Inc.	\$ 20,000	Silver Spring
3	Vicky Snead T/A Eurokids Fashion	\$8,000	Silver Spring
4	Olympic Carpet & Rug, Inc (Carpet Bazaar)	\$15,000	Silver Spring
5	Interior Accents, Inc.	\$4,000	Silver Spring
6	Bach Hue Nguyen T/A Bethesda Nail Spa by On	\$3,700	Bethesda
7	BH&R Associates (Quarry House Tavern)	\$4,000	Silver Spring
8	Kefa Café	\$10,000	Silver Spring
9	ITB Eight	\$2,800	Bethesda
10	Universal Artificial Limb Co.	\$3,000	Silver Spring
11	K.O. Inc. T/A Presence	\$10,000	Bethesda
12	Italia Gourmet	\$15,000	Silver Spring
13	Mayorga Coffee	\$20,000	Silver Spring
14	The Finkhauser Group, Inc. T/A The French Quarter Café	\$20,000	Germantown
15	KCD Nguyen, LLC T/A Passion Nail Spa	\$15,000	Germantown
16	Yamo, LLC	\$20,000	Germantown
17	Grand Crew Enterprises	\$20,000	Germantown
18	Barry's Magic Shop	\$63,100	Wheaton
19	Sacred Mountain LLC T/A Moorenko's Ice Cream Cafe	\$20,000	Silver Spring
21	Dale Music Company, Inc.	\$20,000	Silver Spring
22	BDMS	\$20,000	Clarksburg
23	Apollo	\$20,000	Clarksburg
24	Green Earth Goods	\$20,000	Clarksburg
25	Mayorga Coffee	\$20,000	Clarksburg
26	Roadhouse Oldies	\$5,000	Silver Spring
27	CCLW, D/B/A Executive Shell	\$8,000	Rockville

E. Export Montgomery Program

The Export Montgomery Grant Program was established in 2001 under the Economic Development Fund. The purpose of this Program was to assist Montgomery County exporters that contribute to the economic strength and stability of the local economy, and to provide indirect marketing for the County. This Program operated with a \$30,000 set-aside from the Economic Development Fund and provided grants of up to \$5,000 to qualified companies with export related projects. Receipt of an Export Montgomery grant was contingent upon participation in the State's Export Maryland Program. Due to lack of activities, this Program

was discontinued in FY06. Through the life of the Program, three applications were received, evaluated, and granted funding totaling \$11,762.

NO	COMPANY	INDUSTRY	FUNDING RECEIVED	LOCATION
1	Single Source, Inc.	Export	\$5,000	Rockville
2	Eka Systems	Bio-Tech	\$5,000	Rockville
3	Nova Research	Bio-Tech	\$1,762	Rockville

F. Micro-Enterprise Loan Program

Montgomery County created the Micro-enterprise Loan Program ("MLP") in Fiscal Year 2008 to support micro-enterprises located in the County by providing them with much-needed access to capital. MLP facilitates the creation, retention, or expansion of micro-enterprises through direct loans as well as technical assistance.

In order to be eligible for MLP, a business must have gross revenues of less than \$250,000 annually and fewer than five full-time-equivalent employees. In addition, MLP funds must assist the creation or expansion of the business or help retain and stabilize the business. The maximum loan amount under MLP is \$15,000 for any one micro-enterprise, and loans will have maximum repayment terms of three years. The Program operated with a \$150,000 set-aside from SBRLP.

Since MLP is a sub-program of SBRLP and the credit needs of micro-enterprises can be met by SBRLP, MLP has become a part of SBRLP and all existing loan accounts are listed under SBRLP.

V. TECHNOLOGY GROWTH PROGRAM ACTIVITIES

The Technology Growth Program ("TGP") provides pivotal financing to early-stage high technology companies located in, or desiring to locate in, the County. The County's funding often plays a catalytic role in enabling recipients to secure growth capital from private placements or from institutional investors. The Program received a total of \$900,000 in funding in FY99 and FY00 and the money was depleted by FY03. The Program provided much-needed financial support to qualified companies by using the funds available under the Economic Development Fund Grant and Loan Program. Due to lack of funding, the Program is not taking new applications since early FY11.

Since the beginning of the Program's operation in 2000, the County has funded 71 TGP transactions for a total amount of \$3,960,000.

NO	COMPANY	INDUSTRY	TGP FUNDING	PROGRESS TO DATE
1	eStoreGroup, Inc.	Info-Tech	\$70,000	Dissolved
2	iroute, Inc.	Info-Tech	\$50,000	Dissolved
3	20/20 Gene Systems	Bio Tech	\$50,000	Fully Satisfied, Grant Forgiven
4	OrthoSpot.com	Info-Tech	\$80,000	Fully Satisfied, Grant Forgiven
5	XFI, Inc.	Info-Tech	\$80,000	Fully Satisfied, Grant Forgiven
6	BioMat Sciences, Inc.	Bio Tech	\$60,000	Dissolved
7	MarketPlace TV	Info-Tech	\$50,000	Dissolved
8	KnowledgeMax, Inc.	Info-Tech	\$70,000	Dissolved
9	Corvedia	Info-Tech	\$60,000	Fully Satisfied, Grant Forgiven
10	Deus Technologies	Info-Tech	\$80,000	Fully Satisfied, Grant repaid
11	Eka Systems	Info-Tech	\$80,000	Fully Satisfied, Grant repaid
12	Infinity Pharmaceuticals	Bio Tech	\$70,000	Dissolved
13	Ipsil	Bio Tech	\$80,000	Acquired. Collection
14	DVIP Multimedia	Info-Tech	\$40,000	Collection
15	Expression Pathology	Bio Tech	\$50,000	Fully Satisfied, Grant repaid
16	Aptus Pharmaceutical	Bio Tech	\$80,000	Acquired. Grant repaid
17	Data Quality Solutions	Info-Tech	\$50,000	Dissolved
18	BioSciCon	Bio Tech	\$25,000	Fully Satisfied, Loan repaid
19	Advanced Vision Therapy	Bio Tech	\$70,000	Fully Satisfied, Grant Forgiven
20	TeleContinuity	Telecom	\$60,000	Fully Satisfied, Grant repaid
21	Rexahn	Bio Tech	\$100,000	Fully Satisfied, Grant repaid
22	Procell Corporation	Bio Tech	\$50,000	Currently Under Monitoring
23	Comware, Inc.	Telecom	\$50,000	Currently Under Monitoring
24	KoolSpan, Inc.	Telecom	\$60,000	Currently Under Monitoring
25	Mobitrum, Inc.	Info-Tech	\$75,000	Currently Under Monitoring
26	Cranium Software	Info-Tech	\$30,000	Currently Under Monitoring
27	Apogee Ventures, Inc.	Medical Eq.	\$50,000	Currently Under Monitoring
28	Setecs, Inc.	Info-Tech	\$50,000	Currently Under Monitoring
29	Mobilap, Inc.	Info-Tech	\$30,000	Currently Under Monitoring

NO	COMPANY	INDUSTRY	TGP FUNDING	PROGRESS TO DATE
30	VorCat, Inc.	Info-Tech	\$50,000	Currently Under Monitoring
31	BioFactura, Inc.	Bio Tech	\$50,000	Currently Under Monitoring
32	New Hope Pharmaceuticals	Life Science	\$50,000	Currently Under Monitoring
33	NetImmune, Inc.	Info-Tech	\$60,000	Fully Satisfied, Grant repaid
34	NeoDiagnostix, Inc.	Life Science	\$75,000	Fully Satisfied, Grant repaid
35	WebSolve, Inc.	Info-Tech	\$100,000	Dissolved
36	AlphaGenics, Inc.	Life Science	\$50,000	Currently Under Monitoring
37	SMBLive, Inc.	Info-Tech	\$50,000	Fully Satisfied, Grant repaid
38	Owen Software, Inc.	Info-Tech	\$75,000	Currently Under Monitoring
39	Aberro, Inc.	Info-Tech	\$50,000	Currently Under Monitoring
40	Anthrotronix, Inc.	Info-Tech	\$50,000	Currently Under Monitoring
41	Adriane Genomics, Inc.	Bio Tech	\$80,000	Currently Under Monitoring
42	Amulet Pharmaceuticals, Inc	Bio Tech	\$25,000	Currently Under Monitoring
43	SaleStrong, Inc.	Bio-Tech	\$50,000	Currently Under Monitoring
44	Envisionier Medical Tech	Medical Eq.	\$60,000	Currently Under Monitoring
45	Neuronascent, Inc.	Info-Tech	\$50,000	Currently Under Monitoring
46	RemeGenix, Inc.	Bio-Tech	\$50,000	Currently Under Monitoring
47	RockSoft d/b/a Cilutions	Info-Tech	\$60,000	Currently Under Monitoring
48	3C Logic, Inc.	Info-Tech	\$50,000	Currently Under Monitoring
49	Immunomic Therapeutics	Bio-Tech	\$40,000	Currently Under Monitoring
50	ZaraCom Technologies, Inc.	Info-Tech	\$60,000	Dissolved
51	BroadbandMD, Inc.	Info-Tech	\$50,000	Currently Under Monitoring
52	CertusNet, Inc	Info-Tech	\$75,000	Currently Under Monitoring
53	Sirnaomics, Inc.	Bio-Tech	\$50,000	Currently Under Monitoring
54	Synaptic Science LLC	Bio-Tech	\$40,000	Acquired. Grant Repaid.
55	Cellex, Inc.	Bio-Tech	\$60,000	Currently Under Monitoring
56	Global Stem, Inc.	Bio-Tech	\$50,000	Currently Under Monitoring
57	AID Networks LLC	Info-Tech	\$50,000	Currently Under Monitoring
58	Alper Biotech LLC	Bio-Tech	\$50,000	Currently Under Monitoring
59	netXcel, Inc.	Info-Tech	\$50,000	Currently Under Monitoring
60	GenArraytion, Inc.	Bio-Tech	\$50,000	Currently Under Monitoring
61	Last Stop Auction, Inc.	Info-Tech	\$60,000	Currently Under Monitoring
62	eClinForce, Inc.	Bio-Tech	\$5,000	Currently Under Monitoring
63	Foligo Therapeutics, Inc.	Bio-Tech	\$50,000	Currently Under Monitoring
64	Technology Digest, Inc.	Info-Tech	\$50,000	Currently Under Monitoring
65	Clarassance, Inc.	Bio-Tech	\$60,000	Currently Under Monitoring
66	Rafagen, Inc.	Bio-Tech	\$60,000	Currently Under Monitoring
67	Apama BioSciences Corp.	Bio-Tech	\$50,000	Currently Under Monitoring
68	Creatv MicroTech, Inc.	Bio-Tech	\$50,000	Currently Under Monitoring
69	Celek Pharmaceuticals, LLC	Bio-Tech	\$40,000	Currently Under Monitoring
70	Adv. Biomimetic Sensors, Inc.	Bio-Tech	\$40,000	Currently Under Monitoring
71	Prolias, LLC	Bio-Tech	\$40,000	Currently Under Monitoring

VI. SMALL BUSINESS REVOLVING LOAN PROGRAM ACTIVITIES

The Small Business Revolving Loan Program ("SBRLP") continues to provide financial assistance to small businesses in Montgomery County and facilitates business development through direct loans and participation in loans made by other financial institutions.

The success of SBRLP is measured in two ways. The first measure of the Program's success is the direct repayment of principal and interest from the recipient companies. The second, equally important, measure of success is the primary and secondary economic benefits to the County resulting from the successful growth and expansion of recipient companies.

Since the beginning of SBRLP in July of 2001, the County Council has appropriated a total of \$2,541,310 for the Program. Of the total appropriated, SBRLP received \$600,000 in cash from the County and \$1,000,000 in matching State grants from the Maryland Economic Development Assistance And Fund ("MEDAAF"), for a total amount of \$1,600,000. The remaining balance is the re-appropriation amount based on the projected loan repayments, actual payments received, and other income for the Program over previous fiscal years. Actual cumulative revenue realized for the previous fiscal years has been less than the projected revenue. This resulted in the total approved appropriation higher than the total fund balance calculated based on the actual revenue. In FY 2010, MLP was discontinued and the fund balance was rolled over into the SBRLP account.

Of the \$1,000,000 State matching funds, \$250,000 was a new cash injection from the State's MEDAAF Program in RY 2010 to replenish the fund balance.

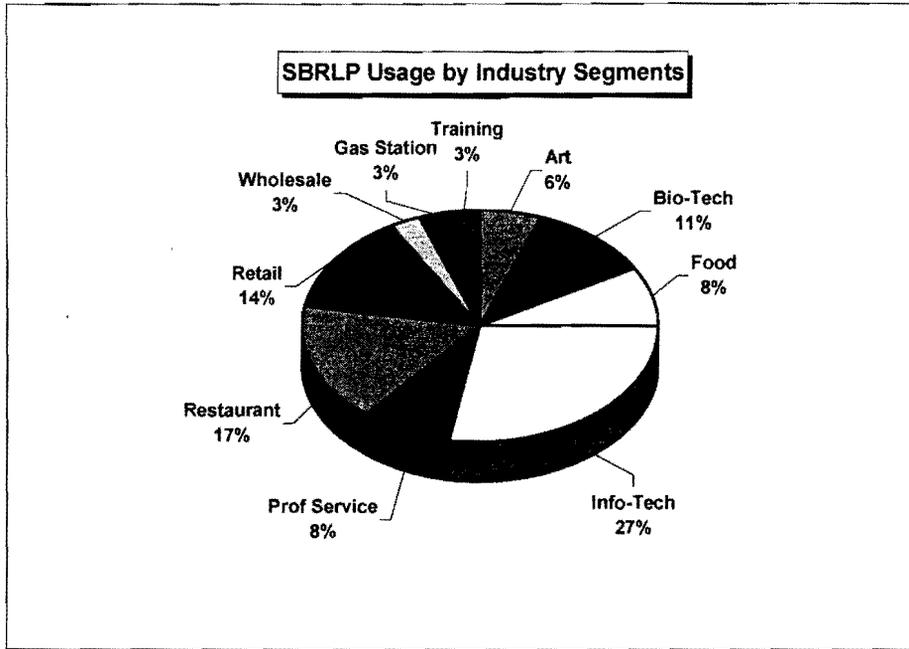
Cumulative sources and use of funds:

Total Cumulative Appropriation	\$ 3,371,789
including County's new general fund transfer	\$ 600,000
State Matching Funds	\$ 1,000,000
Loan Repayment	\$ 985,217
Total Cumulative Disbursement	\$ 2,117,500

FY11 Appropriation Status:

FY11 Approved County Appropriation	\$ 96,770
FY10 Year End Balance Re-appropriated for FY11	\$ 601,979
Total Appropriation for FY11	\$ 698,749
FY11 Year-to-Date Disbursement & Commitments	\$ 30,000
Available Balance for Remaining FY11	\$ 668,749

SBRLP has assisted companies in a broad range of industries to support their business expansion needs:



As of February 28, 2011, Montgomery County has funded or committed to fund a total of 36 companies for a total amount of \$2,117,500.

A. Funding Through Report Year 2010

NO	COMPANY	INDUSTRY	SBRLP FUNDING	LOCATION	STATUS
1	Takoma Park Silver Spring Food Coop.	Grocery Store	\$40,000	Takoma Park	Paid off
2	Marimelj Entertainment Group, Inc.	Entertainment	\$50,000	Silver Spring	Written off
3	BioMat Sciences, Inc.	Technology	\$40,000	Rockville	Written off
4	bConvergent, Inc.	Info-Tech	\$80,000	Rockville	Written off
5	Mayorga Coffee Roaster	Retail	\$80,000	Silver Spring	Written off
6	Pyramid Atlantic	Art	\$100,000	Silver Spring	Paid off
7	20/20 GeneSystems, Inc.	Bio-Tech	\$50,000	Rockville	Paid off
8	Special Integrated Systems	Info-Tech	\$45,000	Rockville	Paid off
9	First Federal	Info-Tech	\$130,000	Gaithersburg	Paid off
10	Global Translation	Info-Tech	\$70,000	Silver Spring	Paid off
11	Kierkegaard & Perry Laboratories, Inc.	Info-Tech	\$75,000	Gaithersburg	Paid off
12	Hollywood East	Restaurant	\$55,000	Wheaton	Current
13	Dollar Direct, Inc.	Wholesale	\$95,000	Rockville	Written off
14	The Breeze Caribbean Restaurant	Restaurant	\$50,000	Rockville	Paid off
15	March Uniform, Inc.	Retail	\$35,000	Rockville	Current
16	Sacred Mountain	Foods	\$95,000	Silver Spring	Current
17	Cranium Software, Inc.	Info-Tech	\$30,000	Silver Spring	Current
18	Sashelvis Hair Salon, Inc.	Personal Serv.	\$65,000	Silver Spring	Current
19	Health Through Friendship	Info-Tech	\$85,000	Rockville	Current
20	Jupiter and J	Retail	\$38,000	Gaithersburg	Current
21	Bobby's Crabcakes, LLC	Restaurant	\$60,000	Rockville	Current

NO	COMPANY	INDUSTRY	SBRLP FUNDING	LOCATION	STATUS
22	Panas, LLC	Retail	\$40,000	Rockville	Current
23	Wise Comprehensive Solutions, LLC	Info-Tech	\$60,000	Wheaton	Current
24	Fireworks Art Café, LLC	Retail	\$15,000	Damascus	Current
25	Mendoza & Associates, Inc.	Professional Serv	\$15,000	Wheaton	Current
26	Shawn D. Bartley and Associates, LLC	Professional Serv	\$15,000	Silver Spring	Current
27	Applied Wireless LAN, Inc.	Info-Tech	\$50,000	Rockville	Current
28	ITTECOM, Inc.	Info-Tech	\$90,000	Rockville	Current
29	Interior Accents, Etc., Inc.	Retail	\$40,000	Rockville	Current
30	My Kitchen	Retail	\$50,000	Rockville	Current
31	VAS Concepts, LLC	Info-Tech	\$9,500	Rockville	Current
32	Addis Ababa Restaurant	Restaurant	\$20,000	Silver Spring	Current
33	Four Kings Enterprises, Inc. dba Hollywood East Café	Restaurant	\$65,000	Wheaton	Current
34	AWGSE dba Twinbrook Getty	Retail	\$60,000	Silver Spring	Current
35	Donald Johnson DBA Tecknowledgy	Training	\$15,000	Olney	Current

B. Funding and Commitments in Report Year 2011

The following company received funding or commitments under this Program in Report Year 2011:

NO	COMPANY	INDUSTRY	SBRLP FUNDING	LOCATION	STATUS
36	HeMimics Biotechnologies, Inc.	Bio-Tech	\$30,000	Rockville	Current

VII. PERFORMANCE MONITORING & PROPERTY TAX PAYMENTS

EDFGLP requires recipient companies to adhere to specific job creation and retention goals, and requires that they remain in the County for a minimum number of years after receiving grant/loan (typically five years). The Fund recipient enters into an Economic Development Fund Agreement (“EDFA”) with the County, which stipulates specific performance milestones and contains claw-back conditions if the milestones are not achieved.

DED, through an annual performance monitoring effort, collects and reviews each EDF recipient company’s unemployment insurance contribution reports and other pertinent documents to monitor satisfactory performance and adherence to each company’s EDFA. The measurement period and duration of monitoring differ for each company depending on the nature of each transaction. For example, if a company is required to retain 50 employees and create 50 new jobs within three years of receiving EDF assistance, the retention of 50 employees will be verified prior to the disbursement of the funds. The creation of 50 jobs, however, will be monitored at the end of the three-year job creation period or on each anniversary date of EDF fund disbursement during the three-year period.

Through February 28, 2010, the Department has monitored 149 EDFGLP companies for their job retention and creation performance. Some companies have fully satisfied the five-year monitoring requirements, while some have submitted their first performance documents this year.

In addition to job creation, the EDF Programs build the commercial tax base for the County. Through February 28, 2011, 154 companies that received funding from the Economic Development Grant and Loan Program have completed their relocation/expansion projects in the County.

The following table details the compiled employment statistics provided by the EDF recipients and summarizes property taxes paid by EDF recipients during Calendar Years 2009 and 2010. Some companies, having just relocated to the County, will begin their tax payments to the County in Calendar Year 2011.

This table captures real estate and personal property taxes only. The estimated income tax impact on the County’s revenue is captured in the total revenue impact numbers in other sections of this report. Abbreviations used are explained in the footnote section.

	COMPANY NAME	TYPE	Proj. Jobs Total	Number of Jobs Monitored					STATUS	Property Tax Payments					
				Year 1	Year 2	Year 3	Year 4	Year 5		2009			2010		
										Per. Prop. Tax	Real Prop. Tax	Total Tax	Per. Prop. Tax	Real Prop. Tax	Total Tax
1	American Osteopathic Healthcare Assoc	grant	19	12	18	14	13	8	Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
2	Fresh Fields/Whole Foods	grant	75	75	EXP	EXP	EXP	EXP	Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
3	Information Systems and Services Inc.	grant	73	84	EXP	EXP	EXP	EXP	Satisfied	\$2,867	\$0	\$2,867	\$524	\$0	\$524
4	Medtap, International	grant	40	NR	NR	41	41	43	Satisfied	\$17,434	\$0	\$17,434	\$16,134	\$0	\$16,134
5	DocuCorp (MicroDynamics)	grant	30	OK	OK	OK			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
6	National Council of Senior Citizens	grant	120	120	124	121	115		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
7	NEXGEN	grant	33	NA	NA	NA		3	Collection	\$0	\$0	\$0	\$0	\$0	\$0
8	Palmer Brothers Painting	loan	70	NR	EXP	EXP	EXP	EXP	Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
9	Preferred Pediatrics (Children's Hosp)	grant	81	79	NA	NA	NA		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
10	Technology Service Corporation	grant	60	OK	OK	OK	OK	OK	Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
11	Washington Consulting Group	grant	60	OK	OK	OK	EXP	EXP	Satisfied	\$955	\$0	\$955	\$633	\$0	\$633
12	First Federal Corp.	grant/loan	50	32	31	42	33	33	Satisfied	\$33,147	\$0	\$33,147	\$44,211	\$0	\$44,211
13	JZA	grant	24	21	20	24	22	27	Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
14	Information Systems & Solutions Int'l	grant	80	NA	NA	166			Collection	\$0	\$0	\$0	\$0	\$0	\$0
15	BGS&G Companies	grant	24	22	22	23	18		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
16	Forte Software I	grant	8	18	NA	NA			Paid Off	\$0	\$0	\$0	\$0	\$0	\$0
17	National Micrographics Phase I	grant	60	37	33	34			Collection	\$2,214	\$0	\$2,214	\$1,640	\$0	\$1,640
18	Decision Systems Technologies	grant	115	161	119	76	123		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
19	Aspen Systems Corporation I (Grant)	grant	850	878	864	850	930	877	Satisfied	\$13,036	\$685,456	\$698,492	\$12,442	\$1,065,623	\$1,078,066
20	Electronic Data Systems Inc	grant	250	207	647	NA	662		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
21	Foster (amended)	grant	35	39	34	29	28		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
22	McKesson Bioservices	grant	150	170	177	225	264	312	Satisfied	\$69,020	\$0	\$69,020	\$100,109	\$0	\$100,109
23	Infopro	grant	185	141	79	55			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
24	Johnson Bassin & Shaw	grant	120	159	174	180	220		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
25	Takoma Park Silver Spring Food Co-op	loan	20	74	NR	NR			Satisfied	\$6,175	\$0	\$6,175	\$10,349	\$0	\$10,349
26	Cellmark Diagnostics	grant	57	NR	NR	45	50		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
27	Thomson Technology Services Group	grant	450	NR	526	550			Satisfied	\$0	\$311,079	\$311,079	\$0	\$452,369	\$452,369
28	KRA	grant	248	NR	NR	176			Satisfied	\$4,044	\$0	\$4,044	\$3,975	\$0	\$3,975
29	Hekimian	grant	290	381	387	438	568		Satisfied	\$34,785	\$0	\$34,785	\$25,694	\$0	\$25,694
30	Ferris, Baker Watts, Inc.	grant	55	76	76	82	75		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
31	Centerforce Technology	grant	58	25	32	26			Paid Off	\$0	\$0	\$0	\$0	\$0	\$0
32	Gemelli	grant	4	OK	OK	OK			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
33	Acacia	grant	265	248	258	154	80	93	Satisfied	\$11,305	\$0	\$11,305	\$10,263	\$0	\$10,263
34	Ernst and Young	grant	100	100	85	17			Paid Off	\$0	\$0	\$0	\$0	\$0	\$0
35	Oleen	grant	169	60	53				Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
36	Caelum Research Corporation	grant/loan	155	112	119				Satisfied	\$1,430	\$0	\$1,430	\$1,881	\$0	\$1,881
37	Gene Logic	grant	140	121	NR	184	250		Satisfied	\$3,803	\$0	\$3,803	\$0	\$0	\$0
38	ADP Benefit	grant	185	NA	NA				Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
39	Counter Tech	grant	131	48	45	37			Collection	\$0	\$0	\$0	\$0	\$0	\$0
40	Cary Medical	loan	12	4	NA	NA				\$0	\$0	\$0	\$0	\$0	\$0
41	Analytical Sciences, Inc.	grant	92	86	127	125	279		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
42	ISSI (Convista Inc.)	grant	40	32	NR				Collection	\$0	\$0	\$0	\$0	\$0	\$0
43	Torti Gallas & Partners CHK, Inc.	grant	84	92	120	116	124	143	Satisfied	\$17,249	\$0	\$17,249	\$9,291	\$0	\$9,291
44	Prolist, Inc.	loan/grant	96	79	NR				Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
45	Aspen Systems Corporation II (Loan)	loan	150	OK	OK	OK			Paid Off	\$0	\$0	\$0	\$0	\$0	\$0
46	OriGene	loan	81						Paid Off	\$1,822	\$0	\$1,822	\$4,084	\$0	\$4,084

	COMPANY NAME	TYPE	Proj. Jobs Total	Number of Jobs Monitored					STATUS	Property Tax Payments					
				Year 1	Year 2	Year 3	Year 4	Year 5		2009			2010		
										Per. Prop. Tax	Real Prop. Tax	Total Tax	Per. Prop. Tax	Real Prop. Tax	Total Tax
47	Neurotrophic Research Corporation	loan	17	NA	NA				Collection	\$0	\$0	\$0	\$0	\$0	\$0
48	Optelecom	loan	112	65	55				Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
49	EntreMed, Inc.	grant	100	106	109	107	102		Satisfied	\$10,024	\$95,605	\$105,629	\$0	\$110,971	\$110,971
50	ExpoSoft	loan/grant	185	NA	111	100			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
51	Cafet Monet	loan	17						Paid Off	\$149	\$0	\$149	\$0	\$0	\$0
52	Digicon	loan/conv	283	104	106				Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
53	Prospects, Associates	grant	202						Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
54	The Institute for Genomic Research	grant	256	253	265	323	342		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
55	Sytel, Inc.	grant	302	140					Forgiven	\$1,163	\$0	\$1,163	\$0	\$0	\$0
56	BioReliance Corporation	grant	457	408	463	523	535		Satisfied	\$42,657	\$66,231	\$108,888	\$27,820	\$76,883	\$104,703
57	Sofimed Systems	loan/conv	363	257	220	257			Paid Off	\$0	\$0	\$0	\$0	\$0	\$0
58	MD Association for Nonprofit Org.	grant	11			11			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
59	Earle Palmer Brown	loan/conv	67	81	77	45			Collection/Closed	\$0	\$0	\$0	\$0	\$0	\$0
60	GTM Architects, Inc.	loan	30			39			Paid Off	\$6,534	\$0	\$6,534	\$4,679	\$0	\$4,679
61	DoxSys	loan/conv	65			130			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
62	Palladian Partner	loan/conv	53			49			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
63	SODEXHO MARRIOTT	loan/conv	350	388	432	403	398		Satisfied	\$9,083	\$0	\$9,083	\$9,363	\$0	\$9,363
64	Marconi North America	grant	959	1984	1279	963	923	964	Satisfied	\$0	\$311,465	\$200,921	\$0	\$572,637	\$572,637
65	ParaGea Communications, Inc.	loan/conv	105						Collection	\$0	\$0	\$0	\$0	\$0	\$0
66	International Genetics Associates, Inc.	loan/conv	21						Collection	\$0	\$0	\$0	\$0	\$0	\$0
67	HT Medical Systems	loan/conv	100						Paid Off	\$0	\$0	\$0	\$0	\$0	\$0
68	Panacea Pharmaceutical	loan/conv	32						Paid Off	\$1,917	\$0	\$1,917	\$285	\$0	\$285
69	DC Information Systems, Inc.	loan/conv	157	43					collection	\$0	\$0	\$0	\$0	\$0	\$0
70	BIOMAT Sciences	loan/conv	21						Collection	\$0	\$0	\$0	\$0	\$0	\$0
71	Gen Vec	loan/conv	109	89	88	101	121		Paid Off	\$7,425	\$0	\$7,425	\$1,492	\$0	\$1,492
72	Collective Communication Corporation	grant	75						Bankruptcy	\$0	\$0	\$0	\$0	\$0	\$0
73	Medispec, Ltd.	loan	41		21				Satisfied	\$6,869	\$0	\$6,869	\$0	\$0	\$0
74	View Point Communication	grant	6	8	8				Collection	\$0	\$0	\$0	\$0	\$0	\$0
75	NASD	loan	1,430	1330	1412	1286			Satisfied	\$36,344	\$479,456	\$515,800	\$32,233	\$559,541	\$591,774
76	Choice Hotels International, Inc.	loan/conv	325	329	345	374	410		Paid Off	\$0	\$0	\$0	\$0	\$0	\$0
77	Digene	grant	266	195	209	207			Satisfied	\$0	\$310,001	\$310,001	\$0	\$495,316	\$495,316
78	The ARC of the United States	grant	40	14	15				Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
79	Wolpoff and Abramson	loan/conv	815	427	565	462			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
80	ISSI Consulting Group, Inc.	loan/conv	198	NA	NA				Collection	\$0	\$0	\$0	\$0	\$0	\$0
81	MEDCO	grant	0						Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
82	Multispectral	loan	30						Satisfied	\$0	\$0	\$0	\$0	\$0	\$0

83	Viaken Systems, Inc.	loan/conv	229						Collection	\$0	\$0	\$0	\$0	\$0	\$0
84	Recovery Point Systems	grant	45	33	34	36	41			\$0	\$0	\$0	\$0	\$0	\$0
85	Telperion Network	loan/conv	38	9					Collection	\$0	\$0	\$0	\$0	\$0	\$0
86	Discovery-Caldor	grant	240							\$0	\$0	\$0	\$0	\$0	\$0
87	Information Resources Associates, Inc.	grant	76	36					Collection	\$0	\$0	\$0	\$0	\$0	\$0
88	bid4asset.com	grant	286	41	27				Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
		loan/conv													
89	QIAGEN		300	30	130	150	177		Satisfied	\$7,528	\$274,329	\$281,857	\$45,754	\$329,628	\$375,382
90	Amarex	loan/conv	53	30	37	36			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
91	Origene II	loan/conv	100	52	35	19	25	23		\$0	\$0	\$0	\$0	\$0	\$0
92	Covance Healthcare (CHAOS)	grant	240	157	277	173	218	245	Satisfied	\$36,012	\$0	\$36,012	\$40,331	\$0	\$40,331
	COMPANY NAME	TYPE	Proj. Jobs Total	Number of Jobs Monitored					STATUS	Property Tax Payments					
				Year 1	Year 2	Year 3	Year 4	Year 5		2009			2010		
										Per. Prop. Tax	Real Prop. Tax	Total Tax	Per. Prop. Tax	Real Prop. Tax	Total Tax
93	Intervise Consultants, Inc.	grant	135	54	125					\$0	\$0	\$0	\$0	\$0	\$0
94	Marriott International	loan/conv	4,200	3613	3349	3244	3479	3597	Satisfied	\$0	\$1,455,486	\$1,455,486	\$378,412	\$1,702,266	\$2,080,678
95	Arbros Communications, Inc.	grant	484						Collection	\$0	\$0	\$0	\$0	\$0	\$0
96	Discovery Communications	grant	1,104	1095	1300	1433	1527	1606	Satisfied	\$345,067	\$1,753,139	\$2,098,206	\$379,058	\$1,886,264	\$2,265,322
97	GeneLogic (Phase II)	grant	424	224					Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
		loan/conv													
98	Manugistics Inc.		955	565	562	475			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
		loan/conv													
99	Social & Scientific Systems		328	297	303	300	374	405	Satisfied	\$20,923	\$478,691	\$499,614	\$0	\$581,543	\$581,543
100	Quanta BioSciences	loan	1	9	10	11			Paid Off	\$2,757	\$0	\$2,757	\$0	\$0	\$0
101	Social & Scientific Systems	grant							Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
102	Tbales Communications	grant	247	299	334	388	486		Satisfied	\$85,889	\$149,602	\$235,491	\$78,838	\$146,662	\$225,500
103	OTG Software	loan/conv	395						Satisfied	\$434,168	\$659,575	\$1,093,743	\$0	\$583,122	\$583,122
		loan/conv													
104	OPNET Technologies		347	214	212	254			Satisfied	\$73,675	\$0	\$73,675	\$85,504	\$0	\$85,504
105	NeuralStem, Inc.	grant	141	46	34	2	10		paid off	\$639	\$0	\$639	\$409	\$0	\$409
106	Acterna (now JDSU)	loan/conv	1,147	717	450				Settled	\$0	\$859,317	\$859,317	\$0	\$313,554	\$313,554
107	SAS Institute	grant	193	125	119	113	103		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
108	Panacos Pharmaceutical Inc.	loan/conv	23	17	17	19			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
109	Primary Care Coalition of Mont. County	grant	38	35	36	36			Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
110	MaxCyte	grant	46	16	21	20	21	19		\$0	\$0	\$0	\$0	\$0	\$0
111	Imatek	grant	20	28	48	31	32	35		\$0	\$0	\$0	\$0	\$0	\$0
112	MedImmune	loan/conv	438	589	658	499	734	929	Satisfied	\$0	\$739,404	\$739,404	\$945	\$1,228,676	\$1,229,621
	MiddleBrook Pharmaceuticals (formerly Advancis)	loan/conv	84	54	76	107	102	76	Satisfied	\$7,022	\$0	\$7,022	\$6,542	\$0	\$6,542
114	Intradigm Corp	loan	37	19	19	11			Paid Off	\$0	\$0	\$0	\$0	\$0	\$0
115	Cubanos Restaurant	grant	19	22	27	25	26		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
116	Aspen Group	grant	42	42	59	59	61	59	Satisfied	\$2,596	\$0	\$2,596	\$2,575	\$0	\$2,575
117	American Youth Hostels, Inc.	grant	33	28	18	21	20		Paid off	\$0	\$0	\$0	\$0	\$0	\$0
118	United Healthcare Services	grant	431	403	419	441			Satisfied	\$24,611	\$0	\$24,611	\$20,767	\$0	\$20,767
119	About Web	loan/grant	30	17	15	41			Satisfied	\$1,572	\$0	\$1,572	\$1,387	\$0	\$1,387
		loan/conv													
120	Centers for Behavioral Health		41	32	93	99			Satisfied	\$7,393	\$0	\$7,393	\$6,488	\$0	\$6,488
121	TV One, LLC	grant	70	38	43	58	66	71	Satisfied	\$27,647	\$0	\$27,647	\$31,484	\$0	\$31,484
122	Kierkegaard & Perry Laboratories	grant	63	57	59	45	42		Satisfied	\$0	\$0	\$0	\$0	\$0	\$0
123	BioSpace International Corporation	grant	41						Collection	\$0	\$0	\$0	\$0	\$0	\$0

124	Encore Management	grant	149	48	39				Satisfied	\$1,123	\$0	\$1,123	\$513	\$0	\$513
125	Proxy Aviation	grant	45	19	18	28				\$1,837	\$0	\$1,837	\$1,407	\$0	\$1,407
126	Macrogenics	grant	81	81	91	121	147			\$14,494	\$0	\$14,494	\$20,175	\$0	\$20,175
127	Eakin/Youngentob	grant	108	102	100	73	64			\$0	\$0	\$0	\$0	\$0	\$0
128	Kierkegaard & Perry Laboratories	grant	OK	OK	OK	OK	OK			\$0	\$0	\$0	\$0	\$0	\$0
129	Westfield Corporation	grant	500	OK	OK	OK				\$6,756	\$463,948	\$470,704	\$21,635	\$497,397	\$519,032
130	World Space	grant	95	131	119				Bankruptcy	\$0	\$0	\$0	\$0	\$0	\$0
131	8606 Colesville Rd., LLC T/A Ray's Classic	grant	32	20	16					\$2,463	\$0	\$2,463	\$2,244	\$0	\$2,244
132	Health Through Friendship	grant	15	4	10	5				\$101	\$0	\$101	\$172	\$0	\$172
133	Bethesda Cultural Alliance	grant	45						Collection	\$0	\$0	\$0	\$0	\$0	\$0
134	Internationa Municipal Lawyers Assoc.	lease	9	9	9	9			Satisfied	\$1,070	\$0	\$1,070	\$922	\$0	\$922
135	Birchmere	grant		OK	OK	OK				\$0	\$0	\$0	\$0	\$0	\$0
136	Host International	grant	534	446	437					\$115,864	\$0	\$115,864	\$80,924	\$0	\$80,924
COMPANY NAME		TYPE	Proj. Jobs Total	Number of Jobs Monitored					STATUS	Property Tax Payments					
				Year 1	Year 2	Year 3	Year 4	Year 5		2009			2010		
				Per Prop. Tax	Real Prop. Tax	Total Tax	Per Prop. Tax	Real Prop. Tax	Total Tax						
137	Xceleron	grant	100	6						\$80,476	\$0	\$80,476	\$24,708	\$0	\$24,708
138	Sigma-Tau Pharmaceuticals, Inc.	grant	62							\$0	\$0	\$0	\$49,383	\$0	\$49,383
139	Novavax	grant	53	88	96	88				\$2,264	\$0	\$2,264	\$33,382	\$0	\$33,382
140	WeddingWire, Inc.	grant	18	27						\$4,056	\$0	\$4,056	\$3,009	\$0	\$3,009
141	TIG Global	grant	182	122					Satisfied	\$58,522	\$0	\$58,522	\$12,036	\$0	\$12,036
142	Innovative Biosensors, Inc.	grant	34	16						\$279	\$0	\$279	\$250	\$0	\$250
143	EKA Systems	grant	80	61						\$13,394	\$0	\$13,394	\$0	\$0	\$0
144	InfosPhenix	grant	25	29	25					\$0	\$0	\$0	\$0	\$0	\$0
145	ClassifEye, Inc.	grant	10						Collection				\$0	\$0	\$0
146	OpGen	grant	100	46	42								\$0	\$0	\$0
147	Lockheed Martin	grant	420	441									\$1,101,323	\$0	\$1,101,323
148	RNL Biostar	grant	54										\$185	\$0	\$185
149	International Baccalaureate	grant	20										\$0	\$0	\$0
150	Zyngenia	grant	2										\$0	\$0	\$0
151	UnionBridge	grant	26										0	\$0	\$0
152	Noble Life Sciences	grant	250										0	\$0	\$0
153	Advanced Bioscience Laboratories	grant	128										\$2,424	\$0	\$2,424
154	Beech Street Capital	grant	112												

Total Jobs Retained & Attracted by Satisfied and Closed Cases 16,700+
Total Jobs Created by Satisfied and Closed Cases 9,400+
Total Jobs Retained, Attracted and to be Created under Open Cases..... 2,500+
Tax Revenue Collected in Year 2010 \$12+ million
Cumulative Tax Revenue Collected 1999 through 2010..... \$111 million

Footnote:

1. **EXP** - Economic Development Fund Agreement expired. Some of the earliest Fund transactions did not have job retention and/or job creation performance requirements. Instead, the focus was on the physical retention of companies in the County.

2. NR -Performance reporting not required for the monitoring period. As explained earlier, these companies are to be monitored at the end of the job creation period. NR is also used for companies that have received a loan that did not have a job retention/creation requirement.
3. OK -Relates to earlier Fund transactions that did not require specific job retention or creation milestones but required the company to stay in the County for a number of years (typically five years). "OK" means the company's presence in the County has been verified at the end of the monitoring period.
4. NA -This abbreviation denotes that the company has received the County's performance document request through certified mail but has not submitted the required documents to date. The average number of employees during the monitoring period is used for most of the job retention requirements. Typically, the County will not take a formal action until a company fails to turn in performance monitoring documents at the end of the job retention/creation-monitoring period (usually 3rd or 5th year from the disbursement of EDF funding).
5. For the satisfied and closed cases, the highest job number reported during the monitoring period is used, but for the open cases, the projected job numbers are used.
6. Some of the companies may not own 100% of the real estate property occupied. In many cases, they catalyzed property development as anchor tenants.

VIII. TAX CREDIT PROGRAMS

Montgomery County offers the following tax incentive programs for companies seeking to locate, maintain, or expand their business in the County.

A. New Jobs Tax Credit

Qualifying businesses receive a Montgomery County tax credit against real and personal property taxes for a period of six years if they meet the following qualification criteria: 1) relocate or expand into at least 5,000 square feet of newly constructed and previously unoccupied premises; 2) employ at least 25 individuals in new, permanent full-time positions within a 24-month period in the new or expanded premises. In addition, qualifying businesses will also receive a State of Maryland tax credit, which is applied against individual or corporate income tax, insurance premiums tax, or financial institution franchise tax.

Fiscal Year	Credit Amount
FY11	None
FY10	\$70,770
FY09	\$326,025
FY08	\$430,344

B. Enhanced New Jobs Tax Credit

An enhanced real and personal property tax credit is available for large businesses generating or creating major economic impacts in the County. This twelve-year credit is available to businesses that: 1) increase their space by at least 250,000 square feet; 2) create 1,250 new permanent, full-time positions or create 500 new, permanent full-time positions in addition to maintaining at least 2,500 existing permanent full-time positions, and 3) pay all these employees at least 150 percent of the federal minimum wage.

Fiscal Year	Credit Amount
FY11	\$1,290,623
FY10	\$1,104,991
FY09	\$1,113,360

C. Enterprise Zone Tax Credit

The Enterprise Zone Tax Credit is available to businesses that are located in designated areas of Wheaton and Long Branch and part of Gaithersburg. It is designed to spur economic growth, both jobs and construction, in these three Enterprise Zones.

Enterprise Zone Tax Credit Granted:

Fiscal Year	Credit Amount
FY11	\$1,209,611
FY10	\$2,125,235
FY09	\$1,954,347

Cumulative Capital Investment Induced (from 1997 to 2010)..... \$365 million
Cumulative New Jobs Created (from 1997 to 2010)..... 2,500+

D. Arts & Entertainment District Tax Credit

This 10-year credit reduces the increase in the County property tax when the assessment increases after construction or renovation of a building. The credit is available for space in manufacturing, commercial, or industrial buildings constructed or renovated for use by a qualifying residing artist or an arts and entertainment enterprise.

Arts & Entertainment District Tax Credit Granted:

Fiscal Year	Credit Amount
FY11	\$3,806
FY10	\$4,428
FY09	\$4,341

IX. INCUBATOR PROGRAM

The Montgomery County's Business Incubator Network Program was launched in 1995. The Program is an innovative and highly successful economic development initiative that facilitates entrepreneurial development in the County, creates new jobs and expands the County's business tax base. Through a growing network of industry-focused incubator facilities, the Program provides start-up enterprises with plug-and-play office and/or lab space along with valuable shared business services, technical support, workshops, and resources essential to business growth and success.

The Program's first incubator, the Shady Grove Innovation Center ("SGIC", formerly Maryland Technology Development Center) opened in 1995 in Rockville in an interim leased facility and focused on assisting technology innovation enterprises. By 1999, the first free-standing, County-owned incubator facility was built to house the SGIC's tenants and today still is widely regarded as one of the nation's most successful technology incubators. Since then, four facilities have been added to the list of County-owned business incubators.

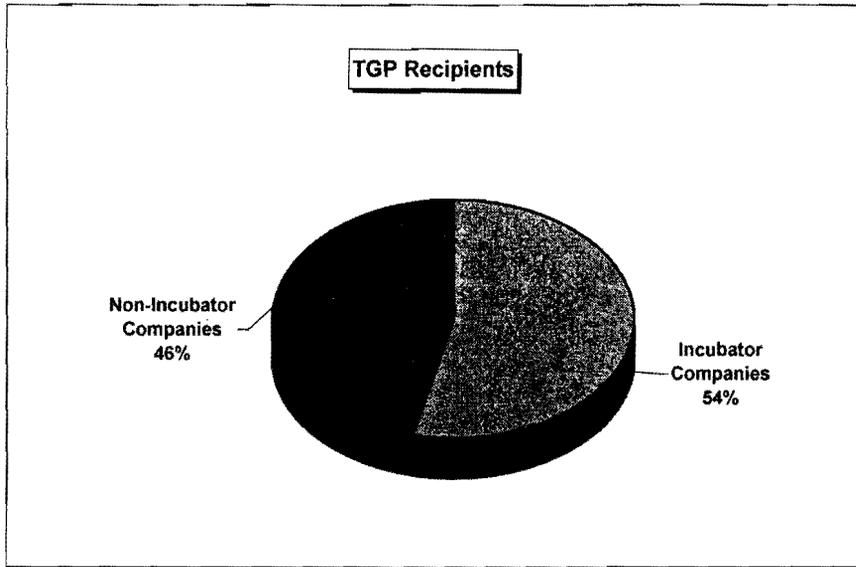
	Year Established	Location	Occupancy Rate	Number of Current Tenants	Est. Number of Employees	Number of Graduates in 2010
Shady Grove Innovation Center ("SGIC")	1999	Rockville	92%	49	223	3
Silver Spring Innovation Center ("SSIC")	2004	Silver Spring	100%	30	134	3
Wheaton Business Innovation Center ("WBIC")	2006	Wheaton	100%	25	69	1
Rockville Innovation Center ("RIC")	2007	Rockville	87%	33	97	3
Germantown Innovation Center ("GIC")	2008	Germantown	94%	31	102	0

Montgomery County has become one of the nation's leading biotechnology and information technology hubs. The following illustrates the progress of the Incubator Program since 1999:

- Currently, there are 168 tenants at SGIC, SSIC, WBIC, RIC, and GIC.
- 85 companies have successfully graduated from the incubators since 1999. Most of these graduates have expanded in Montgomery County and remain in business.
- Current incubator companies employ workforce of more than 600.

The EDF programs have been a significant strategic tool to provide critical seed funding to early-stage and start-up companies in the incubators, and to leverage state funding and private sector investment for these companies. To date, 54 incubator companies have received financial assistance mostly under the Technology Growth Program and the Small Business Revolving Loan Program. The following charts show the usage of the EDF Programs for incubator companies:

A. Percentage of TGP recipients:



B. Percentage of SBRLP recipients:

