


MEMORANDUM

April 17, 2013

TO: Planning, Housing and Economic Development Committee

FROM: Jacob Sesker, Senior Legislative Analyst 

SUBJECT: FY14 Operating Budget: Economic Development Fund

Those expected to attend this worksession include:

From DED: Steve Silverman (Director); Peter Bang (Chief Operating Officer); Tina Benjamin (Director of Special Projects)

From OMB: Helen Vallone (Senior Management and Budget Specialist)

Relevant pages from the FY14 Recommended Budget are attached at © 1-4.

Summary of Council Staff Recommendations

Staff recommends approving an FY14 Operating Budget for the EDF of \$3,396,828. The balance (\$2,250,000) of the Executive's Recommended FY14 Budget will be retransmitted in the form of supplemental or special appropriations at the appropriate time.

Overview

The mission of the Economic Development Fund (EDF) is to assist private employers who are located, or plan to locate or substantially expand operations, in the County. While there are four separate programs that are related to the Economic Development Fund, this year, as in most years, the lion's share of the appropriation request relates to the Economic Development Grant and Loan Program. Each year the Department of Economic Development compiles a report on the Economic Development Fund—the most recent report was transmitted to the Council in March. *See County Executive transmittal of EDF Annual Report, © 8; and EDF Annual Report, © 9-38.*

For FY13, the Council originally approved an operating budget of \$5,090,020.¹ In FY14, the Executive requests \$5,646,828, representing an increase of \$556,808 (+10.9%) compared to the FY13 original appropriation.

<i>Change</i>	<i>Expenditures</i>	<i>FTEs</i>
FY13 Original Appropriation	\$5,090,020	1.00
Add: Sodexo (EDF Grant and Loan Program)	\$1,500,000	0.00
Add: Tentative offers likely to be accepted (EDF GLP)	\$950,000	0.00
Add: Total Wine and More (EDF GLP)	\$500,000	0.00
Add: Zyngenia (EDF GLP)	\$500,000	0.00
Add: Social and Scientific Systems (EDF GLP)	\$350,000	0.00
Add: Choice Hotels Headquarters (EDF GLP)	\$180,000	0.00
Increase Cost: FY14 Compensation Adjustment	\$2,944	0.00
Increase Cost: Other Labor Contract Costs	\$103	0.00
Decrease Cost: Group Insurance Adjustment	(\$6,089)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY13	(\$3,920,150)	0.00
FY14 Recommended	\$5,646,828	1.00

FY14 Expenditure Issues

Summary of testimony and other communications

Mark Adelman testified in opposition to any future use of the Economic Development Fund to provide assistance to Westfield Corporation.

There is no money in the Executive's Recommended FY14 Operating Budget for the Economic Development Fund for Westfield Wheaton.

Legal Issues: Economic Development Fund

The Economic Development Grant and Loan Program was established by the Council and is codified in Chapter 20, Article XIII, §20-73 through §20-76A. Regulations adopted under "method 1" (COMCOR 20.73.01.01 through 20.73.01.07) provide additional detail regarding how the Economic Development Grant and Loan Program is to be administered.

In September 2012, the Council enacted Bill 14-12, which amended §20-75 and §20-76 to require the Executive to propose and update an economic development strategic plan, to establish criteria tying offers of financial assistance under the EDF to the strategic plan, to require Council approval for certain offers of assistance from the EDF, and generally amending the County economic development laws. The Bill was effective on December 20, 2013. The Executive is required to submit revised regulations under "method 1" before June 18, 2013 (180 days after the law's effective date).

¹ FY13 appropriations to the EDF increased when the Council subsequently approved a supplemental appropriation of \$4,160,000.

As a practical matter, the law now divides awards into three categories, based on the size of the incentive package (requirements that apply to all awards, requirements that apply only to awards valued at more than \$100,000, and requirements that apply only to awards valued at more than \$500,000).

- All awards must comply with the requirements of §20-75(a), including the new requirement that any award must be consistent with an economic development strategic plan.
- In the case of awards valued at more than \$100,000, the notice requirements of §20-75(b), (c) and (e) also apply.
 - As amended, §20-75(b) requires notice to contain certain specified information, some of which was not previously required under the Executive Regulations (COMCOR 20.73.01.01 through 20.73.01.07), which had already required economic benefit or pro forma analyses under some circumstances.
 - As amended, §20-75(c) requires the Executive to notify the Council at least 5 days (10 days if the Council is not in session) before tentatively offering assistance to a private employer. The word “tentatively” was added by Bill 14-12 to clarify that offers of assistance are final only upon appropriation.
 - §20-75(e) requires that the notice must specify the proposed terms, including any repayment provisions.
- Any award valued at more than \$500,000 must also comply with the requirements of §20-75(d). Under that provision, the award can only be made if it is approved as a supplemental² or special³ appropriation. Once an agreement is executed, the Executive must transmit the agreement to the Council.

The amended EDF law now requires a supplemental or special appropriation for any assistance valued at more than \$500,000. As a practical matter, this means that the Council must identify in a resolution each recipient of a large award and hold a public hearing on the award before approving an appropriation.

The challenge in creating a legal structure for economic development incentives is that several competing concerns must be addressed, including:

- the process must be nimble and flexible enough to allow negotiators to negotiate a rational deal within a reasonable amount of time;
- the expenditure of public funds must be sufficiently transparent, given that the expenditure represents a transfer of public dollars to private employers; and,

² Montgomery County Charter, Section 307: “Any supplemental appropriation shall be recommended by the County Executive, who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week’s notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a federal, state, or county law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.”

³ Montgomery County Charter, Section 308: “A special appropriation is an appropriation which states that it is necessary to meet an unforeseen disaster or other emergency, or to act without delay in the public interest. Each special appropriation shall be approved by not less than six Councilmembers. The Council may approve a special appropriation at any time after public notice by news release. Each special appropriation shall specify the source of funds to finance it.”

- the process must ensure an appropriate amount of public and private accountability for expenditures made and public benefits promised.

The EDF law, and its effectiveness in balancing those concerns, should be continuously re-evaluated over the course of the next several months.

Add: Sodexo \$1,500,000

The incentive to Sodexo was tentatively offered to Sodexo after the effective date of Bill 14-12. Because the proposed incentive is greater than \$500,000, the incentive must be made in the form of a special or supplemental appropriation.

Staff understands that the Executive will remove this expenditure as part of the budget amendments to be transmitted next week. The Executive will then transmit either an FY13 supplemental appropriation request (in late FY13) or an FY14 supplemental appropriation request (in early FY14).

Add: Total Wine and More \$500,000

This transaction has not been finalized.

Staff recommends shifting \$500,000 to “tentative offers likely to be accepted” (see below).

Add: Tentative offers likely to be accepted \$950,000

The recommended FY14 operating budget for the EDF includes a request for \$950,000 for incentive negotiations that are likely to be finalized soon. In recent years, the EDF has not carried a substantial unencumbered fund balance.⁴ A fund balance in the EDF allows DED to fund incentives to private employers without a supplemental appropriation. Even when there is a fund balance, the Executive must comply with the notice requirements established in law for incentives greater than \$100,000. A question for the PHED Committee is whether it recommends approving an EDF budget that includes a non-specific appropriation to the EDF.

Staff questioned whether any of the tentative offers likely to be accepted are greater than \$500,000. In response, DED stated that one of the tentative offers likely to be accepted was a tentative offer of \$750,000. Given that this \$750,000 incentive exceeds \$500,000, that particular expenditure must be approved through a supplemental or special appropriation.

Staff understands that the Executive will remove \$750,000 from this line item as part of the budget amendments to be transmitted next week. With respect to that transaction, the Executive will then transmit either an FY13 supplemental appropriation request (in late FY13) or an FY14 supplemental appropriation request (in early FY14).

Staff recommends shifting \$500,000 from Total Wine and More to this line item.

Staff recommends approving \$700,000 for tentative offers likely to be accepted because the amount is related to incentive projects that are in DED’s project pipeline.

⁴ The current unencumbered balance in the EDF is \$77,591.

<i>Change</i>	<i>Expenditures</i>	<i>FTEs</i>
FY14 CE Recommended	\$950,000	
Decrease Cost: Elimination of item that will need to go through supplemental or special appropriation process	(\$750,000)	
Shift: Total Wine and More to tentative offers likely to be accepted	\$500,000	
Council staff recommendation	\$700,000	

Alternatively, the PHED Committee could recommend no appropriation for tentative offers likely to be accepted. In that case, any incentive deals in the pipeline could not be funded in FY14 without a special or supplemental appropriation, even if that incentive is not greater than \$500,000.

Add: Zyngenia \$500,000

The incentive to Zyngenia was offered in 2010, before the effective date of Bill 14-12. This recommended expenditure represents the final third of a \$1,500,000 incentive to Zyngenia related to its relocation to Montgomery County from California.

Staff recommends approval.

Add: Social and Scientific Systems \$350,000

The incentive to Social and Scientific Systems was tentatively offered to S3 after the effective date of Bill 14-12. Because the proposed incentive is not greater than \$500,000, the incentive need not be made in the form of a special or supplemental appropriation.

Staff recommends approval.

Add: Choice Hotels \$180,000

The incentive to Choice Hotels was offered in 2011, before the effective date of Bill 14-12. This recommended expenditure represents the 1st of 6 scheduled payments to Choice Hotels under the 2011 incentive.

Staff recommends approval.

Add: Green Investor Incentive Program \$500,000

The Green Investor Incentive Program (Bill 40-12) was introduced in December of 2012 and enacted on April 16, 2013. *See County Executive Letter to Council Member Berliner*, © 7. The program is fashioned after the Biotechnology Investment Incentive Tax Credit Supplement program (Bill 34-11). However, unlike the Biotechnology Investment Incentive Tax Credit Supplement, the Green Investor Incentive Program is not a supplement to a Maryland tax credit; consequently, the County will have more administrative responsibilities (e.g., determination of eligibility for the incentive program, amounts payable under the program, etc.).

Potential FY14 expenditures are less predictable under the Green Investor Incentive Program because eligibility is not based on a state program. The number of investors that will qualify for this

incentive program and the FY14 expenditures of this program are very much unknown at this time. It is likely that FY14 expenditures will fall short of this \$500,000 appropriated amount.

However, any remaining balance at the end of FY14 would carry forward into FY15.⁵ Should the Council approve both Bill 40-12 and this proposed appropriation, it will be important to receive updates from DED regarding the pace of implementation and expenditures in FY14. If expenditures fall short of budget, then a \$500,000 appropriation (in the base budget) in FY15 would not be necessary.

Staff recommends approval.

Staff recommends written reports from DED regarding the status of implementation (e.g., the status of any regulations) and actual FY14 program expenditures.

Base budget—tracking and monitoring

The Council recently approved the PHED Committee's recommendation to transmit a letter to the County Executive regarding Office of Legislative Oversight Report 2013-2: *Review of Montgomery County's Economic Development Incentive Programs*. The letter will indicate that the Council will:

1. Request that the County Executive enhance the data collection and reporting procedures for economic development incentives by expanding pre-award and post-award measurement of performance indicators.
2. Request that the County Executive track and annually report on the long-term outcomes of businesses that have received incentives.
3. As part of the economic development strategic planning process, discuss with the Executive Branch performance targets or guidelines for actual versus projected jobs, investment, fiscal impact, and long-term retention results.

Council Staff inquired as to what resources would be used to implement these recommendations. Below is DED's response:

The EDF base budget or DED base budget does not include a separate resource to hire dedicated position(s) to enhance the EDF performance monitoring. DED is currently exploring ways to enhance the performance monitoring for future EDF transactions through imposing expanded self-reporting requirements to recipient companies, as a part of the EDF Agreement.

For current portfolio companies that DED cannot retroactively impose additional reporting requirements, or for future transactions that the recipient companies refuse to accept expanded reporting requirements (due to various reasons including legal and internal HR policies), DED is evaluating using some funds (\$40-\$60,000/year?) in the EDF base budget to acquire professional service to assist in such monitoring.

Council Staff recommends monitoring DED's efforts to collect and report data, and track performances and outcomes of firms and of the incentive program. In general, the concerns are whether sufficient resources will be identified and deployed in this effort, and whether the contractual resources in the EDF base budget is the best budget location for this effort (in particular because many of the same issues exist with tracking and monitoring graduates of the incubator program).

⁵ Under §20-73, this fund is continuing and non-lapsing.

Key questions presented in this budget

1. Does the Committee recommend increasing fund balance in order to fund FY14 incentive deals that are already in the pipeline and which would not be subject to the requirement that an appropriation must be made through a supplemental or special appropriation?
2. Does the Committee recommend appropriating \$500,000 for the Green Investor Incentive Program, even though it is possible that much of that appropriation would remain unspent through FY14?

Council staff recommendations

- Reduce: Sodexo from \$1,500,000 to \$0.
- Reduce: Tentative offers likely to be accepted from \$950,000 to \$750,000 (this is a two-step reduction involving first a reduction of \$750,000 and second increase of \$500,000).
- Reduce: Total Wine and More from \$500,000 to \$0.

See also tables.

<i>Comparison—CE Recommended to Council Staff Recommended</i>	<i>CE Recommended</i>	<i>Council Staff</i>
Add: Sodexo (EDF Grant and Loan Program)	\$1,500,000	\$0
Add: Tentative offers likely to be accepted (EDF GLP)	\$950,000	\$700,000
Add: Total Wine and More (EDF GLP)	\$500,000	\$0
Add: Zyngenia (EDF GLP)	\$500,000	\$500,000
Add: Social and Scientific Systems (EDF GLP)	\$350,000	\$350,000
Add: Choice Hotels Headquarters (EDF GLP)	\$180,000	\$180,000
Increase Cost: FY14 Compensation Adjustment	\$2,944	\$2,944
Increase Cost: Other Labor Contract Costs	\$103	\$103
Decrease Cost: Group Insurance Adjustment	(\$6,089)	(\$6,089)
Decrease Cost: Elimination of One-Time Items Approved in FY13	(\$3,920,150)	(\$3,920,150)
FY14 Recommended	\$5,646,828	\$3,396,828

If the Council adopts these recommendations, the FY13-FY14 changes would look like this:

<i>Change</i>	<i>Expenditures</i>	<i>FTEs</i>
FY13 Original Appropriation	\$5,090,020	1.00
Add: Tentative offers likely to be accepted (EDF GLP)	\$700,000	0.00
Add: Zyngenia (EDF GLP)	\$500,000	0.00
Add: Social and Scientific Systems (EDF GLP)	\$350,000	0.00
Add: Choice Hotels Headquarters (EDF GLP)	\$180,000	0.00
Increase Cost: FY14 Compensation Adjustment	\$2,944	0.00
Increase Cost: Other Labor Contract Costs	\$103	0.00
Decrease Cost: Group Insurance Adjustment	(\$6,089)	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY13	(\$3,920,150)	0.00
FY14 Recommended	\$3,396,828	1.00

Follow up issues

1. Green Investor Incentive Program: Written reports from DED regarding the status of implementation (e.g., the status of any regulations) and actual FY14 program expenditures.
2. Base budget: Monitoring DED's efforts to collect and report data, track performances and outcomes of firms and of the incentive program.

Attachments: © 1 Recommended FY14 Operating Budget: EDF
© 5 Testimony of Mark Adelman
© 7 County Executive Letter to Council Member Berliner
© 8 County Executive's transmittal of EDF Annual Report
© 9 EDF Annual Report

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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 recommended FY14 Operating Budget for the Economic Development Fund is \$5,646,828, an increase of \$556,808 or 10.9 percent from the FY13 Approved Budget of \$5,090,020. Personnel Costs comprise 2.2 percent of the budget for no full-time positions. A total of one FTE includes these positions as well as any seasonal, temporary, and positions charged to or from other departments or funds. Operating Expenses account for the remaining 97.8 percent of the FY14 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*

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *Implement Montgomery County Green Investor Incentive Program which will allow the County to incentivize Green company investments in Montgomery County.*
- ❖ *Facilitate the attraction of the early stage biotechnology company Zyngenia and creation of more than 30 new jobs.*
- ❖ *Facilitate the retention of 100,000 square feet corporate headquarters for Social Scientific and Systems and its 300 employees.*
- ❖ *Facilitate the creation of 50 new jobs and the retention and expansion of Sodexo's 170,000 square foot corporate headquarters and its 567 employees.*
- ❖ *Support the completion of the new corporate headquarters construction of Choice Hotels in Rockville.*
- ❖ *Facilitate corporate facility expansion, retention of 310 jobs, and creation of more than 100 new jobs for Total Wine and More.*

PROGRAM CONTACTS

Contact Peter Bang of the Economic Development Fund at 240.777.2008 or Helen P. Vallone of the Office of Management and Budget at 240.777.2755 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.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	0	0.00
FY14 CE Recommended	0	0.00

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.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	4,865,230	1.00
Add: Sodexo	1,500,000	0.00
Add: Tentative Offers Likely to be Accepted	950,000	0.00
Add: Green Investor Incentive Program	500,000	0.00
Add: Total Wine and More	500,000	0.00
Add: Zyngenia	500,000	0.00
Add: Social Scientific and Systems	350,000	0.00
Add: Choice Hotels Headquarters	180,000	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY13	-3,920,150	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	-78,252	0.00
FY14 CE Recommended	5,346,828	1.00

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.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	0	0.00
FY14 CE Recommended	0	0.00

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 institutional lenders and other public sources because they are in non-priority industry sectors and/or non-priority transaction sites, and/or cannot fully satisfy the credit requirements of conventional lend. The program offers secured loans typically in the range of \$25,000 to \$100,000 and is administered by the Department of Economic Development.

FY14 Recommended Changes	Expenditures	FTEs
FY13 Approved	224,790	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	75,210	0.00
FY14 CE Recommended	300,000	0.00

BUDGET SUMMARY

	Actual FY12	Budget FY13	Estimated FY13	Recommended FY14	% Chg Bud/Rec
ECONOMIC DEVELOPMENT FUND					
EXPENDITURES					
Salaries and Wages	94,462	94,296	95,946	96,591	2.4%
Employee Benefits	28,583	23,834	30,837	25,646	7.6%
Economic Development Fund Personnel Costs	123,045	118,130	126,783	122,237	3.5%
Operating Expenses	4,180,150	4,971,890	11,473,626	5,524,591	11.1%
Capital Outlay	0	0	0	0	—
Economic Development Fund Expenditures	4,303,195	5,090,020	11,600,409	5,646,828	10.9%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
FTEs	1.00	1.00	1.00	1.00	—
REVENUES					
Investment Income	40,533	0	0	0	—
Loan Payments	175,309	94,970	94,970	94,970	—
Miscellaneous Revenues	64,035	0	0	0	—
Economic Development Fund Revenues	279,877	94,970	94,970	94,970	—

FY14 RECOMMENDED CHANGES

	Expenditures	FTEs
ECONOMIC DEVELOPMENT FUND		
FY13 ORIGINAL APPROPRIATION	5,090,020	1.00
Changes (with service impacts)		
Add: Sodexo [Economic Development Grant and Loan Program]	1,500,000	0.00
Add: Tentative Offers Likely to be Accepted [Economic Development Grant and Loan Program]	950,000	0.00
Add: Green Investor Incentive Program [Economic Development Grant and Loan Program]	500,000	0.00
Add: Total Wine and More [Economic Development Grant and Loan Program]	500,000	0.00
Add: Zyngenia [Economic Development Grant and Loan Program]	500,000	0.00
Add: Social Scientific and Systems [Economic Development Grant and Loan Program]	350,000	0.00
Add: Choice Hotels Headquarters [Economic Development Grant and Loan Program]	180,000	0.00
Other Adjustments (with no service impacts)		
Increase Cost: FY14 Compensation Adjustment	2,944	0.00
Increase Cost: Other Labor Contract Costs	103	0.00
Decrease Cost: Group Insurance Adjustment	-6,089	0.00
Decrease Cost: Elimination of One-Time Items Approved in FY13 [Economic Development Grant and Loan Program]	-3,920,150	0.00
FY14 RECOMMENDED:	5,646,828	1.00

PROGRAM SUMMARY

Program Name	FY13 Approved		FY14 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Demolition Loan Program	0	0.00	0	0.00
Economic Development Grant and Loan Program	4,865,230	1.00	5,346,828	1.00
Technology Growth Program	0	0.00	0	0.00
Small Business Revolving Loan Program	224,790	0.00	300,000	0.00
Total	5,090,020	1.00	5,646,828	1.00

FUTURE FISCAL IMPACTS

Title	CE REC. FY14	FY15	FY16	(S000's) FY17	FY18	FY19
This table is intended to present significant future fiscal impacts of the department's programs.						
ECONOMIC DEVELOPMENT FUND						
Expenditures						
FY14 Recommended	5,647	5,647	5,647	5,647	5,647	5,647
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Items Recommended in FY14	0	-3,800	-3,800	-3,800	-3,800	-3,800
Items recommended for one-time funding in FY14, including grants to Sodexo, Social and Scientific Systems, Emergent Solutions, Total Wine and More, Sucampo, and Zyngenia will be eliminated from the base in the outyears.						
Labor Contracts	0	4	4	4	4	4
These figures represent the estimated cost of general wage adjustments, new service increments, and associated benefits.						
Subtotal Expenditures	5,647	1,850	1,851	1,851	1,851	1,851

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Testimony Before the Montgomery County Council Regarding the FY14 Budget

by
Mark R. Adelman
4/11/13

Dear President Navarro and Members of the County Council:

My name is Mark Adelman and I am testifying before you as an individual. In the interest of brevity, I will not read all of my written testimony, but the entire text is posted to my own website

(<http://www.educationalassistance.org/SpeakingOut/Testimony/CouncilTestimony11April2013.pdf>) and I will blog a synopsis in the WheatonPatch.

My goal today is to convince you to make wiser use of taxpayer monies by addressing two specific components of the proposed FY14 County Budget.

1. Do not give any more funding to the Westfield Corporation. Hopefully you have followed the Email thread in which I attempted to obtain answers, from Mr. Silverman and Mr. Bang of the Department of Economic Development (DED), to questions about the benefits to the County of having previously provided financial incentives to Westfield. You have also perhaps seen my attempt to dialogue with Mr. Leggett about these matters. [The texts of these discussions are available on my website at <http://www.educationalassistance.org/WestfieldQuestions.pdf> and http://wheaton-md.patch.com/blog_posts/open-letter-to-county-executive-leggett-part-3.] Neither the answers, nor the non-answers, to my questions give me any reason to believe that giving so much money to one large corporation has been a wise - or productive - use of County funds.

Mr. Silverman appears to be certain that there are no funds in the current budget for Westfield. But I know how complex these budgets are and how easy it is to lose track of a few million dollars when one is worrying about several billion dollars. However, as they say, a few million here, a few million there and pretty soon you are talking about real money. So please look over the budget very carefully. Make sure you cannot find any funds for Westfield (or any of its LLCs) in the budget. If you find any, even a few dollars, please take them out.

[By the way, I urge you to pay careful attention to the recent OLO Report (#2013-2) on the County's Economic Development Incentive Programs. It is a rather thorough study of DEDs performance in this area. Your PHED committee looked at the results and prepared a worksession report (11 March 2013) summarizing the OLO report. The summary was nicely written, but perhaps a bit too softly worded - at least from my point of view. For example, I quote Section B, Recommendation #1, second bullet point, second paragraph:

"Revising the estimate at the completion of an award recipient's monitoring period will provide a more accurate assessment of the annual economic impact by using the actual data points on jobs, investment, wages, and residents instead of what was projected when the award was approved."

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That seems to me to be a needlessly vague way of saying that DED should report what a funded project actually accomplished, rather than pretend to assess the accomplishments by restating what the goals were. I understand that everyone in government must work to together and that harsh words can cause non-productive frictions, but I urge you to keep in mind that you all are working together to achieve the wishes of those who elected you (or "approved" your appointment) and that vaguely worded statements such as the above make it all too easy to avoid dealing with real problems in how Departments are being managed - or mismanaged.]

2. Cut the funding for MCPS by some \$9.95 million so that it meets, but does not exceed the state regulations as to Maintenance of Effort (MOE).

Exceeding the MOE level is not sound fiscal policy. I would call it unnecessary forward obligation (or encumbrance) that results, in essence, in compound debt accumulation. Your own Budget Planning Forum (<http://www6.montgomerycountymd.gov/Content/council/pdf/BudgetForum.pdf>) makes the matter quite clear. By exceeding MOE we are tying our hands and limiting our ability to deal with budgetary needs of programs other than those of MCPS.

We all understand the importance of our school system, but we cannot continue to increase the percentage of our budget that goes to MCPS while giving less and less to other county agencies. And we should recognize that MCPS is not the only means by which we prepare our children to become productive members of society. There are many educational needs that can only be achieved if children arrive at the "front door" of MCPS with adequate preparation. There are a number of programs in the budget category of Children, Youth, and Family Services (<http://www.montgomerycountymd.gov/OMB/Resources/Files/omb/pdfs/fy14/psprec/hhs-cyfs.pdf>) that could make use of some portion of the \$9.95 million to improve the likelihood that children of lower SES could make better progress once they enter the school system.

So I urge you to reduce the amount budgeted for MCPS by the \$9.95 million. If you cannot reassign the money this year, consider it a savings and work with the next County Executive so that future budgets are not presented to you with projected levels of funding for MCPS that exceed MOE and thus needlessly burden us into the future.

Thank you.

Mark R. Adelman
3206 University Blvd. W.
Kensington, MD 20895

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www.educationalassistance.org




OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

March 15, 2013

TO: Roger Berliner, Councilmember

FROM: Isiah Leggett, County Executive 

SUBJECT: FY14 Budget – Economic Development – Green Organization Supplement

Thank you for introducing Bill 40-12, Economic Development – Green Organization Supplement and for your ongoing leadership role in advocating for this program. As you well know, Bill 40-12 implements one of the recommendations of the Green Economy Task Force (Task Force) by creating a Green Organization Supplement that is similar to the County's Biotechnology Investment Incentive Tax Credit Supplement.

I established the Task Force in 2009 with your strong support in the midst of the recent recession. Its mission was to uncover the local economic value embedded in solving global environmental issues. In order to promote investments in local green technology companies, the final 2010 Task Force report recommended that the County establish a local tax credit program for individuals and entities that invest in County-based green technology companies. Bill 40-12 responds directly to this recommendation and I am grateful for your continued advocacy for creation of this program.

Given its significance to the local economy, I anticipate that Council will approve Bill 40-12 in the near future. To ensure that there is no delay in implementing the program, I am including \$500,000 for this program in my FY14 recommended operating budget. Thank you again for your strong leadership on this important issue. I look forward to working with you on this issue and many others as Council considers my recommended FY14 operating budget.

c: All County Councilmembers
Joseph Beach, Director, Finance Department
Marc Hansen, County Attorney
Bob Hoyt, Director, Department of Environmental Protection
Jennifer Hughes, Director, Office of Management and Budget
Steve Silverman, Director, Department of Economic Development

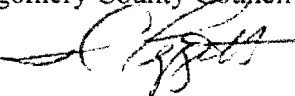


OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

March 25, 2013

TO: Nancy Navarro, President, Montgomery County Council
FROM: Isiah Leggett, County Executive 
SUBJECT: 2013 Annual Report - Economic Development Fund

I am pleased to submit to the County Council the seventeenth Annual Report on the status and use of the Economic Development Fund ("Fund" or "EDF"). The legislation creating the Fund requires that an annual report be submitted every year.

EDF continues to play a vital role in the County's business retention and attraction efforts. Thanks to the continued support of the County Council, the Department of Economic Development (DED) has been actively pursuing retention and attraction projects during the past year despite limited resources available. These projects include the Duball attraction project and the HHS retention project. Despite the challenging economic conditions, EDF enables the County to retain key employers, compete for opportunities to stimulate job growth, expand the County's tax base, and provide much-needed capital to resident businesses.

The attached annual report provides details on the status of the Fund, activities of the Fund's sub-programs, the cumulative economic impact generated, and the impact expected to be generated from the companies assisted. The format of this annual report is slightly modified this year but still provide the same summary data for each sub program. I also want to take this opportunity to thank the Office of Legislative Oversight for their comprehensive and objective review of the County's Economic Development Incentive Programs. DED will ensure that the performance monitoring and measurement efforts, as recommended by the OLO, will be enhanced.

I would like to thank the County Council for its continued support of the EDF programs. Please direct any questions about the report to Peter Bang at the Department of Economic Development at 7-2008.

IL/pb

Attachment

Montgomery County Economic Development Fund Annual Report

For the Year Ended February 28, 2013



**Prepared by
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. The Fund is managed by the County Government's Department of Economic Development, in conjunction with the Department of Finance.

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. In FY12, the Biotech Tax Credit Supplement Program was added to the Fund. In FY13, the Small Business Assistance Program (adopted by the Council in 2012 by Bill 6-12) to assist small businesses located in either an enterprise zone or an urban renewal area that are adversely impacted by redevelopment projects located on property owned by the County; or redevelopment projects financed in whole or in part by the County was added. However, the transactions are not expected to occur well into FY14.

The Demolition Loan Program, the Emergency Agricultural Assistance Program, the Export Montgomery Program, and the Micro-Enterprise Loan Program (merged into Small Business Revolving Loan Program in FY10) are inactive/discontinued programs and will not be included in the future EDF annual reports.

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 17th annual report summarizes the activities of all active sub-programs of the Fund.

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 all industry types and sizes, the Fund is a flexible and results-producing economic development tool, especially during the challenging economic conditions in recent years.

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 substantial 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"), the Small Business Revolving Loan Program ("SBRLP"), and the newly added Biotech Tax Credit Supplement Program, and the Small Business Assistance Program, DED is actively promoting the growth of early-stage high technology businesses and helping small businesses successfully launch start-up operations in the County, in addition to focusing on retaining and attracting large employers.

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 post-funding performance requirements.

This report will summarize the Fund's cumulative activities since its inception in 1995. 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.

A. Total Appropriations for Each Program for the Past Five Fiscal Years:

	Total Appropriation for All Programs	Economic Development Grant/Loan Program (EDFGLP)	Technology Growth Program (TGP)	Small Business Revolving Loan Program (SBRLP)	Impact Assistance Program	Biotech Tax Credit Supplement Program	Small Business Assistance Program
FY09	\$852,440	\$516,520	\$0	\$135,920	\$200,000		
FY10	\$1,102,440	\$470,710	\$0	\$631,730	\$0		
FY11	\$852,440	\$755,670	\$0	\$96,770	\$0		
FY12	\$5,422,280	\$4,697,490	\$0	\$224,790	\$0	\$500,000	
FY13	\$9,250,020	\$8,525,230	\$0	\$224,790	\$0	\$500,000	\$0
TOTAL	\$17,479,620	\$14,965,620	\$0	\$1,314,000	\$200,000	\$1,000,000	\$0

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 listing only the new general fund transfers for each program. The County Council passes 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 total 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 total approved appropriation. The Fund balance at the end of each fiscal year is re-appropriated into the following fiscal year.
- 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.

B. Funds Expenditures for Each Program for the Past Five Fiscal Years:

	Total Expenditures for All Programs	Economic Development Grant/Loan Program (EDFGLP)	Technology Growth Program (TGP)	Small Business Revolving Loan Program (SBRLP)	Impact Assistance Program	Biotech Tax Credit Supplement Program	Small Business Assistance Program
FY09	\$563,000	\$125,000	\$275,000	\$90,000	\$73,000		
FY10	\$2,454,500	\$1,280,000	\$280,000	\$744,500	\$150,000		
FY11	\$580,000	\$550,000	\$0	\$30,000	\$0		
FY12	\$3,590,000	\$2,995,000	\$95,000	\$0	\$0	\$500,000	
FY13 (as of 2/28/2013)	\$3,550,000	\$3,550,000	\$0	\$0	\$0	\$0	\$0
TOTAL	\$10,737,500	\$8,500,000	\$555,000	\$864,500	\$223,000	\$500,000	\$0

C. Fund Balance for All Programs as of 2/28/2013:

FY13 Appropriation for All Programs*	\$ 9,250,020
FY12 Year End Balance Re-appropriated for FY13	\$ 1,626,132
Total Appropriation for All Programs for FY13	\$ 10,876,152

FY13 Year-to-Date Disbursement for All Programs:

EDFGLP**	\$ 4,430,000
TGP	\$ -
SBRLP	\$ -
Biotech Tax Credit Supplement Program	\$ -
Impact Assistance Program ("IAP")	\$ -
Est. Personnel Cost for FY13 (Full Year Reserve)	\$ 125,000
Total	\$ 4,555,000

Available Fund Balance for All Programs for Remaining FY13	\$ 6,321,152
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Reserved for SBRLP (est.)	\$ (936,717)
Reserved for IAP	\$ (22,479)
Reserved for Biotech Tax Credit Supplement Program	\$ (500,000)
Total	(1,459,196)

Reserved for Comitted Transactions Pending Disbursement

Costco Project/Westfield Regional Shopping Center	\$ (2,000,000)
Choice Hotel HQ	\$ (1,920,150)
Meso Scale	\$ (167,000)
Total	\$ (4,087,150)

Plus City of Rockville's 1st Repayment**	\$ 163,355
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Remaining Balance for FY13 for EDFGLP	\$ 938,161
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Note:

* including \$4,160,000 supplemental appropriation for the Duball Project.

** including advance payment of \$980,000 on behalf of City of Rockville for the Duball Project. Advanced payment will be paid back to the County in 6 annual installments.

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.

- **Creating Economic Impact** -The EDF programs for business attraction and expansion remain successful. The economic impact of the Fund, through estimated primary investment in real and personal property taxes, new jobs created, estimated secondary investment and jobs, as well as demographic and population impacts as evidenced by the fiscal impact analysis and actual tracking through the County's tax revenue database, has been significant.
- **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 Biotech Tax Credit Supplement Program and the Small Business Assistance Program, 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.
- **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 the State and other local jurisdictions whenever possible.
- **Serving as an Economic Development Barometer** - Negotiations with business prospects enable the County to effectively assess its current economic development conditions and strengthen its economic development policies.
- **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.
- **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.
- **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.
- **Providing Access to Capital for Small Businesses** - SBRLP provides access to capital for small businesses that have difficulties in obtaining financing from conventional sources.
- **Provide Seed Funding for Targeted Industries** – TGP provides pivotal financing to early-stage high technology companies in targeted industries.
- **Provide Incentives for the Private Investors to Invest in the Bio-Tech Companies in the County** – The newly added Biotech Tax Credit Supplement Program provides incentives to the angel investors/venture funds to invest in the early stage biotech companies in the County.

IV. EDF SUB-PROGRAMS SUMMARY DATA AND PERFORMANCE

This section provides details on each of the EDF sub-programs, including program recipients' information and performance information.

A. EDF GRANT AND LOAN PROGRAM

Year Established	FY96
Total Assistance Provided	\$31.5 million
Total Number of Transactions	167
Range of Award Amounts	\$3,000 to \$6 million

The Grant and Loan Program is intended to encourage job growth and capital investment by providing financial assistance to businesses that move to Montgomery County or stay in the County and expand operations. The program provides assistance in the form of a grant or a loan, and DED typically structures awards as grants that could be converted to a loan and must be repaid if specific conditions are not met by the recipient.

As of February 28, 2013, Montgomery County has funded 167 EDFGLP transactions totaling \$31,500,000 and has also committed to fund eight additional EDFGLP transactions with a total committed amount of up to \$38,802,000.

1. Summary Data:

No	Company	EDFGLP Funding	Fiscal Year	Purpose	Industry	Location	Private Investment
1	American Osteopathic Healthcare Ass	\$20,000	FY97	Attract	Association	Bethesda	\$330,000
2	Fresh Fields/Whole Foods	\$75,000	FY97	Retain	Retail HQ	Rockville	\$450,000
3	Information Systems & Services, Inc.	\$5,000	FY97	Retain	Info-Tech	Silver Spring	\$450,000
4	Medtap, International	\$40,000	FY97	Attract	Bio-Medical	Bethesda	\$625,000
5	MicroDynamics	\$30,000	FY97	Retain	Technology	Silver Spring	\$300,000
6	National Council of Senior Citizens	\$50,000	FY97	Attract	Association	Silver Spring	\$900,000
7	NEXGEN	\$15,000	FY97	Attract	Info-Tech	Silver Spring	\$230,000
8	Palmer Brothers Painting	\$30,000	FY97	Retain	Contractor	Silver Spring	\$350,000
9	Preferred Pediatrics	\$20,000	FY97	Attract	Business Service	Silver Spring	\$142,000
10	Technology Service Corporation	\$100,000	FY97	Retain	Technology	Silver Spring	0
11	Washington Consulting Group	\$25,000	FY97	Attract	Technology	Bethesda	\$500,000
12	First Federal Corporation	\$150,000	FY97	Attract	Info-Tech	Gaithersburg	\$4,500,000
13	JZA	\$20,000	FY97	Attract	Business Service	Bethesda	\$232,000
14	Information Systems & SolutionsInt'l	\$50,000	FY97	Attract	Business Service	Silver Spring	\$1,050,000
15	BGS&G Companies	\$20,000	FY97	Attract	Business Service	Silver Spring	\$320,000
16	Forte Software	\$15,000	FY97	Attract	Info-Tech	Rockville	\$300,000

No	Company	EDFGLP Funding	Fiscal Year	Purpose	Industry	Location	Private Investment
17	National Micrographics	\$5,000	FY97	Retain	Technology	Silver Spring	0
18	Decision Systems Technologies	\$75,000	FY97	Attract	Info-Tech	Rockville	\$1,215,000
19	Aspen Systems Corporation Phase I	\$100,000	FY97	Retain	Info-Tech	Rockville	\$4,700,000
20	Electronic Data Systems, Inc.	\$25,000	FY97	Retain	Info-Tech	Bethesda	\$1,250,000
21	Foster (amended)	\$30,000	FY97	Attract	Business Service	Bethesda	\$800,000
22	McKesson Bioservices	\$75,000	FY97	Expand	Bio-Med	Gaithersburg	\$5,000,000
23	Infopro, Inc.	\$25,000	FY97	Expand	Business Service	Silver Spring	\$330,000
24	Johnson, Basin, & Shaw	\$10,000	FY97	Expand	Business Service	Silver Spring	\$200,000
25	Takoma Park Silver Spring Food Co	\$15,000	FY97	Expand	Retail HQ	Silver Spring	\$340,000
26	Cellmark Diagnostics, Inc.	\$45,000	FY97	Retain	Bio-Med	Germantown	\$1,000,000
27	Thomson Technology Services Group	\$80,000	FY97	Retain	Info-Tech	Rockville	\$5,000,000
28	KRA, Inc.	\$25,000	FY97	Expand	Info-Tech	Silver Spring	\$360,000
29	Hekimian	\$35,000	FY97	Retain	Bio-Med	Rockville	\$13,200,000
30	Ferris, Baker, Watts, Inc.	\$15,000	FY97	Attract	Business Service	Silver Spring	\$600,000
31	CenterForce Technology	\$20,000	FY98	Retain	Info-Tech	Bethesda	\$230,000
32	Gemelli	\$3,000	FY98	Retain	Manufacturer	Silver Spring	\$20,000
33	Acacia	\$200,000	FY98	Attract	Business Service	Bethesda	\$6,500,000
34	Ernst & Young, LLP	\$75,000	FY98	Attract	Business Service	Bethesda	\$1,500,000
35	Oleen Healthcare Information Mgmt.	\$30,000	FY98	Retain	Business Service	Silver Spring	\$505,000
36	Caelum Research Corporation	\$125,000	FY98	Retain	Info-Tech	Rockville	\$1,056,000
37	Gene Logic, Inc.	\$98,000	FY98	Attract	Bio-Tech	Gaithersburg	\$9,600,000
38	ADP Benefit	\$15,000	FY98	Expand	Business Service	Silver Spring	\$700,000
39	Countertech	\$40,000	FY98	Retain	Info-Tech	Bethesda	\$400,000
40	Cary Medical	\$30,000	FY98	Attract	Bio-Tech	Bethesda	\$10,000
41	Analytical Sciences, Inc.	\$35,000	FY98	Retain	Business Service	Silver Spring	\$1,100,000
42	ISSI (Convista Incorporated)	\$10,000	FY98	Attract	Business Service	Silver Spring	\$370,000
43	Torti Gallas and Parners CHK, Inc.	\$40,000	FY98	Retain	Business Service	Silver Spring	\$100,000
44	Prolist, Inc.	\$40,000	FY98	Retain	Business Service	Gaithersburg	\$3,100,000
45	Aspen System Corporation II	\$100,000	FY98	Retain	Info-Tech	Rockville	N/A
46	OriGene I	\$50,000	FY98	Retain	Bio-Tech	Rockville	\$300,000
47	Neurotrophic Research Corporation	\$35,000	FY98	Retain	Bio-Tech	Bethesda	\$130,000
48	Optelecom	\$60,000	FY98	Retain	Manufacturer	Gaithersburg	\$130,000
49	EntreMed, Inc.	\$75,000	FY99	Retain	Bio-Tech	Rockville	\$8,000,000
50	NextLinx	\$45,000	FY99	Retain	Info-Tech	Silver Spring	\$160,000
51	La Petit Cafet Monet	\$15,000	FY99	Expand	Retail	Kensington	\$220,000
52	Digicon	\$60,000	FY99	Retain	Info-Tech	Rockville	\$1,238,000
53	Prospect Associates	\$50,000	FY99	Retain	Business Service	Silver Spring	\$880,000
54	The Institute for Genomic Research	\$50,000	FY99	Retain	Bio-Tech	Gaithersburg	\$10,000,000
55	Sytel, Inc.	\$95,000	FY99	Retain	Info-Tech	Bethesda	\$540,000
56	BioReliance Corporation	\$200,000	FY99	Retain	Bio-Tech	Gaithersburg	\$30,000,000
57	Softmed Systems	\$90,000	FY99	Retain	Info-Tech	Bethesda	\$1,451,000

No	Company	EDFGLP Funding	Fiscal Year	Purpose	Industry	Location	Private Investment
58	Maryland Association for Nonprofit Organization	\$20,000	FY99	Attract	Non-Profit	Silver Spring	\$158,500
59	Earle Palmer Brown	\$25,000	FY99	Retain	Business Service	Bethesda	\$1,900,000
60	GTM Architects, Inc.	\$25,000	FY99	Retain	Business Service	Kensington	\$300,000
61	DoxSys	\$25,000	FY99	Retain	Info-Tech	Bethesda	\$667,000
62	Palladian Partner	\$22,000	FY99	Retain	Info-Tech	Gaithersburg	\$71,700
63	Sodexho Marriott	\$250,000	FY99	Retain	Hospitality	Rockville	\$4,900,000
64	Marconi North America (BAE Sys.	\$150,000	FY99	Attract	Info-Tech	Rockville	\$5,000,000
65	ParaGea Communications, Inc.	\$25,000	FY99	Retain	Bio-Tech	Gaithersburg	\$514,000
66	International Genetics Associates, Inc	\$50,000	FY99	Attract	Bio-Tech	Rockville	\$380,000
67	HT Medical System	\$35,000	FY99	Retain	Bio-Tech	Gaithersburg	\$1,160,000
68	Panacea Pharmaceutical	\$50,000	FY99	Retain	Info-Tech	Rockville	\$75,000
69	DC Information Systems, Inc.	\$50,000	FY99	Retain	Info-Tech	Silver Spring	\$35,000
70	BIOMAT Science	\$40,000	FY99	Attract	Bio-Tech	Rockville	\$50,000
71	Genvec, Inc.	\$125,000	FY99	Retain	Bio-Tech	Gaithersburg	\$15,500,000
72	Collective Communication Corp	\$60,000	FY99	Attract	Info-Tech	Silver Spring	\$490,000
73	Medispec, Ltd.	\$25,000	FY99	Retain	Technology	Gaithersburg	\$400,000
74	View Point Communication	\$7,000	FY99	Retain	Info-Tech	Silver Spring	\$463,000
75	NASD (Finra Regulation, Inc.)	\$200,000	FY99	Attract	Business Service	Rockville	\$69,600,000
76	Choice Hotels International, Inc.	\$500,000	FY00	Retain	Hospitality	Silver Spring	\$11,270,811
77	Digene	\$90,000	FY00	Attract	Bio-Tech	Gaithersburg	\$18,000,000
78	The ARC of the United States	\$40,000	FY00	Attract	Association	Silver Spring	\$620,000
79	Wolpoff & Abramson, Inc.	\$90,000	FY00	Retain	Business Service	Rockville	\$15,300,000
80	ISSI Consulting Group, Inc.	\$25,000	FY00	Retain	Info-Tech	Silver Spring	\$855,000
81	MEDCO	\$71,500	FY00	Expand	Association	Rockville	\$71,500
82	Multispectral Solutions, Inc.	\$50,000	FY00	Retain	Info-Tech	Germantown	\$100,000
83	Viaken System, Inc.	\$50,000	FY00	Retain	Bioinformatics	Gaithersburg	\$150,000
84	Recovery Point Systems (First Federal Phase II)	\$15,000	FY00	Retain	Info-Tech	Germantown	\$8,225,000
85	Telperion Network	\$35,000	FY00	Attract	Info-Tech	Gaithersburg	\$1,000,000
86	Discovery-Caldor	\$170,000	FY00	Retain	Media	Silver Spring	\$35,000,000
87	Information Resources Associates	\$30,000	FY00	Retain	Info-Tech	Silver Spring	\$84,700
88	Bid4asset.com	\$75,000	FY00	Retain	Info-Tech	Silver Spring	\$400,000
89	Qiagen Sciences, Inc.	\$1,100,000	FY00	Attract	Bio-Tech	Germantown	\$42,000,000
90	Amarex, Inc.	\$70,000	FY01	Retain	Bio-Tech	Germantown	\$130,000
91	Origene Technologies, Inc. II	\$85,000	FY01	Retain	Bio-Tech	Rockville	\$3,080,000
92	Covance Healthcare (CHAOES)	\$100,000	FY01	Attract	Business Service	Gaithersburg	\$6,300,000
93	Intervise Consultants, Inc.	\$100,000	FY01	Retain	Info-Tech	Rockville	\$10,150,000
94	Marriott International, Inc.	\$3,000,000	FY01	Retain	Hospitality	Gaithersburg	\$99,000,000
95	Arbros Communications, Inc.	\$100,000	FY01	Attract	Technology	Silver Spring	\$4,000,000
96	Discovery Communications, Inc.	\$600,000	FY01	Retain	Media	Silver Spring	\$150,000,000
97	GeneLogic (Phase II)	\$100,000	FY01	Retain	Bio-Tech	Gaithersburg	\$34,700,000
98	Manugistics, Inc.	\$90,000	FY01	Retain	Info-Tech	Germantown	\$9,200,000

No	Company	EDEGLP Funding	Fiscal Year	Purpose	Industry	Location	Private Investment
99	Social & Scientific Systems	\$100,000	FY01	Retain	Business Service	Silver Spring	\$18,000,000
100	Quanta Bioscience	\$80,000	FY01	Retain	Bio-Tech	Rockville	\$100,000
101	Social & Scientific Systems	\$18,000	FY01	Retain	Business Service	Silver Spring	\$18,000,000
102	Thales Communications, Inc.	\$35,000	FY01	Retain	Technology	Clarksburg	\$5,000,000
103	OTG (Online Technologies Group)	\$120,000	FY01	Retain	Info-Tech	Rockville	\$22,000,000
104	Opnet Technologies, Inc.	\$150,000	FY01	Attract	Info-Tech	Bethesda	\$15,600,000
105	NeuralStem, Inc.	\$40,000	FY02	Attract	Bio-Tech	Gaithersburg	\$6,000,000
106	Acternal LLC	\$1,100,000	FY02	Retain	Technology	Germantown	\$49,200,000
107	SAS Institute, Inc.	\$75,000	FY02	Retain	Technology	Rockville	\$2,625,000
108	Panacos Pharmaceuticals, Inc.	\$30,000	FY02	Retain	Bio-Tech	Gaithersburg	\$150,000
109	Primary Care Coalition of MOCO	\$6,000	FY02	Retain	Non-Profit	Gaithersburg	\$140,000
110	MaxCyte, Inc.	\$80,000	FY02	Retain	Bio-Tech	Rockville	\$1,550,000
111	Imateck of Maryland, Inc.	\$16,000	FY02	Retain	Manufacturer	Germantown	\$1,395,000
112	MedImmune, Inc.	\$500,000	FY02	Retain	Bio-Tech	Gaithersburg	\$71,250,000
113	Advancis Pharmaceutical (MiddleBrook)	\$75,000	FY02	Retain	Bio-Tech	Germantown	\$12,000,000
114	Intradigm Corp	\$30,000	FY02	Retain	Bio-Tech	Rockville	\$500,000
115	Cubanos Restaurant	\$18,500	FY02	Retain	Retail	Silver Spring	\$60,000
116	Aspen Group, Inc.	\$10,000	FY03	Retain	Business Service	Silver Spring	\$548,000
117	American Youth Hostels, Inc.	\$10,000	FY03	Attract	Business Service	Silver Spring	\$36,800
118	United Healthcare Service, Inc.	\$30,000	FY04	Retain	Healthcare	Rockville	\$1,154,000
119	About Web, LLC	\$40,000	FY04	Attract	Info-Tech	Rockville	\$145,000
120	Centers for Behavioral Health	\$100,000	FY04	Retain	Business Service	Rockville	\$1,300,000
121	TV One, LLC	\$100,000	FY05	Attract	Broadcasting	Silver Spring	\$250,000
122	Kirkegaard & Perry Laboratories, Inc	\$25,000	FY05	Retain	Bio-Tech	Gaithersburg	\$1,650,000
123	BSI Proteomics, Inc.	\$50,000	FY05	Retain	Bio-Tech	Gaithersburg	\$80,000
124	Encore Management Corporation	\$100,000	FY05	Retain	Business Service	Silver Spring	\$1,100,000
125	Proxy Aviation Systems, Inc.	\$50,000	FY05	Attract	Bio-Tech	Rockville	\$1,900,000
126	Macrogenics, Inc.	\$50,000	FY05	Retain	Real Estate	Bethesda	\$500,000
127	Eakin/Youngentob	\$60,000	FY06	Attract	Aviation	Germantown	\$500,000
128	KPL	\$75,000	FY06	Retain	Bio-Tech	Gaithersburg	\$3,100,000
129	Wheaton Plaza Regional Shopping Center	\$6,000,000	FY06	Attract	Retail	Wheaton	\$150,000,000
130	WorldSpace, Inc.	\$200,000	FY06	Attract	Info-Tech	Silver Spring	\$10,250,000
131	8606 Colesville Rd., LLC	\$100,000	FY06	Attract	Food	Silver Spring	\$625,000
132	Health Through Friendship	\$15,000	FY06	Expand	Info-Tech	Rockville	\$125,000
133	Bethesda Cultural Alliance	\$1,875,000	FY07	Attract	Performing Art	Bethesda	\$5,000,000
134	International Municipal Lawyers Ass	\$10,000	FY07	Attract	Business Service	Bethesda	\$100,000
135	Fillmore (Birchmere) Project	\$150,000	FY07	Attract	Performing Art	Silver Spring	\$2,000,000
136	Host International	\$100,000	FY07	Retain	Hospitality	Bethesda	\$7,800,000
137	Xceleron	\$100,000	FY08	Attract	Bio-Tech	Germantown	\$3,489,000
138	Sigma-Tau Pharmaceuticals, Inc.	\$60,000	FY08	Retain	Bio-Tech	Gaithersburg	\$2,000,000
139	Novavax	\$200,000	FY08	Attract	Bio-Tech	Rockville	\$6,900,000

No	Company	EDFGLP Funding	Fiscal Year	Purpose	Industry	Location	Private Investment
140	Wedding Wire, Inc.	\$25,000	FY08	Retain	Info-Tech	Bethesda	\$100,000
141	TIG Global	\$50,000	FY08	Attract	Info-Tech	Bethesda	\$1,800,000
142	Innovative Biosensors, Inc.	\$50,000	FY08	Attract	Info-Tech	Rockville	\$370,000
143	EKA Systems	\$50,000	FY08	Retain	Info-Tech	Germantown	\$300,000
144	InfosPhenix (Active Network)	\$50,000	FY08	Attract	Info-Tech	Clarksburg	\$310,000
145	ClassifEye, Inc.	\$75,000	FY09	Attract	Info-Tech	Rockville	\$750,000
146	OpGen	\$10,000	FY09	Attract	Bio-Tech	Gaithersburg	\$500,000
147	Lockheed Martin	\$40,000	FY09	Retain	Info-Tech	Bethesda	\$3,000,000
148	RNL Biostar	\$230,000	FY10	Attract	Bio-Tech	Germantown	\$6,000,000
149	Zyngenia	\$1,000,000	FY10	Attract	Bio-Tech	Rockville	\$50,000,000
150	UnionBridge Management	\$50,000	FY10	Retain	Education	Bethesda	\$1,250,000
151	Noble Life Sciences, Inc.	\$50,000	FY11	Retain	Bio-Tech	Potomac	\$492,000
152	International Baccalaureate	\$150,000	FY11	Attract	Bio-Tech	Rockville	\$300,000
153	Advanced Bioscience Laboratories	\$80,000	FY11	Retain	Bio-Tech	Rockville	\$13,000,000
154	Beech Street Capitial	\$80,000	FY11	Attract	Financial Service	Bethesda	\$450,000
155	Government Sales Specialists, LLC	\$40,000	FY11	Attract	Prof. Service	Bethesda	\$177,000
156	Neogenix Oncology, Inc. (Precision Biologics)	\$100,000	FY11	Attract	Bio-Tech	Rockville	\$100,000
157	Clean Currents, Inc.	\$50,000	FY11	Retain	Green-Tech	Rockville	\$0
158	Yisheng US BioPharma, Inc.	\$40,000	FY12	Attract	Bio-Tech	Gaithersburg	\$1,500,000
159	ICF Consulting Group, Inc.	\$300,000	FY12	Retain	Prof.Service	Rockville	\$9,000,000
160	Thales Communications, Inc.	\$325,000	FY12	Retain	Info-Tech	Clarksburg	\$4,600,000
161	Digital Receiver Technologies, Inc.	\$290,000	FY12	Retain	Communication	Germantown	\$44,000,000
162	Federal Capital Partners	\$40,000	FY12	Attract	Investment	Chaby Chase	\$350,000
163	Wheaton Plaza Regional Shopping Center, LLP (Costco Project)	\$2,000,000	FY12	Attract	Retail	Wheaton	\$50,000,000
164	TV One/Radio One	\$300,000	FY13	Attract	Communication	Silver Spring	\$2,000,000
165	Cytomedix	\$30,000	FY13	Retain	Bio	Gaithersburg	\$60,000
166	Duball Rockville LLC	\$3,180,000	FY13	Attract	Hospitality	Rockville	\$103,000,000
167	AC Acquisitions, LLC (Radio America)	\$40,000	FY13	Retain	Media	Wheaton	\$100,000

2. Cumulative Commitments Pending Disbursement

For the following committed transactions, some of the funds will be disbursed over a period of up to 20 years subject to approval of supplemental appropriation and availability of funds during those fiscal years and the recipients' continued compliance with funding terms.

NO	COMPANY	EDFGLP FUNDING	PURPOSE	INDUSTRY	LOCATION	PRIVATE INVESTMENT
168	Zyngenia, Inc. (remaining commitment \$500,000)	\$500,000	Attract	Bio	Gaithersburg	
169	Wheaton Plaza Regional Shopping Center, LLP (Costco Project, remaining commitment \$2,000,000)	\$2,000,000	Attract	Retail	Wheaton	

NO	COMPANY	EDFGLP FUNDING	PURPOSE	INDUSTRY	LOCATION	PRIVATE INVESTMENT
170	Choice Hotels International	\$2,820,000 in 6 yrs	Retain	Hospitality	Rockville	\$89,500,000
171	Meso Scale Diagnostics, LLC*	\$1,982,000 over 10 yrs	Retain	Bio	Rockville	\$18,500,000
172	Foulger-Pratt, LLC (NOAA Project)*	\$12,000,000 over 15 yrs	Retain	Real Estate	Silver Spring	\$30,000,000
173	Fishers Lane, LLC (HHS Project) *	\$19,500,000 over 15 yrs	Retain	Real Estate	Rockville	\$270,000,000

* The funding for these transactions is tied to a percent increase of real property taxes.

3. Summary of Key Data Points:

a. Industry Type:

Industry Type	Number of Company	Percentage
Info/Adv. Tech	49	29%
Bio Tech	46	28%
Business Services	36	22%
Association	6	4%
Hospitality	6	4%
Retail	5	3%
Manufacturing	3	2%
Restaurant	2	1%
Media	3	2%
Entertainment	2	1%
Communication	2	1%
Green Tech	1	1%
Real Estate	1	1%
Healthcare	1	1%
Aviation	1	1%
Research	1	1%
Investment	1	1%
Education	1	1%
Total	167	100%

b. Location in the County:

Location	Number of Company	Percentage
Silver Spring	48	29%
Rockville	40	24%
Gaithersburg	31	19%
Bethesda	28	17%
Germantown	11	7%
Kensington	2	1%
Potomac	1	1%
Clarksburg	2	1%
Wheaton	3	2%
Sparks	1	1%
Total	167	100 %

c. Actual Employee Size in the County at the Time of Funding:

No. of Employees	Number of Company	Percentage
25 and under	77	46%
26-50	21	13%
51-100	28	17%
101-500	35	21%
500+	6	4%
Total	167	100 %

d. EDF Grant and Loan Program Impact on Jobs:

Cumulative Fund Impact on Jobs	No. of Jobs
Jobs Retained	16,884
Jobs Attracted	2,715
Jobs Projected to be Created	11,475
Total	31,074

** 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.*

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

State and Private Capital Investment Leveraged	in \$million
Economic Development Fund	25.70
State Grants/Loans/Guarantees	50.68
Private Capital Investment	1,443.72

f. EDF Grant and Loan Program Use for Business Retention and Attraction:

Fund Usage	Number of Company	Percentage
Retention	107	64%
Attraction	60	36%
Total	167	100%

g. EDF Grant and Loan Program Performance Measures:

Average EDF Cost per Job Retention/Attraction/Creation	
Cumulative through Report Year 2012	\$890

Cumulative State and Private Capital Leveraged per Dollar of EDF Funding	
EDF Funding	1.00
State Grants/Loans/Guarantee	1.97
Private Capital Investment	55.78

B. TECHNOLOGY GROWTH PROGRAM

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. Due to lack of funding and limited availability of growth capital in the market, the Program is not active at this time.

Year Established	FY99
Total Assistance Provided	\$4,055,000
Total Awards Provided	72
Range of Award Amounts	\$5,000-\$100,000

Since the beginning of the Program's operation in 2000, the County has funded 72 TGP transactions for a total of \$4,055,000.

NO	COMPANY	INDUSTRY	TGP FUNDING	FISCAL YEAR	PROGRESS TO DATE
1	eStoreGroup, Inc.	Info-Tech	\$70,000	FY 01	Dissolved. Grant Forgiven.
2	iroute, Inc.	Info-Tech	\$50,000	FY 01	Dissolved
3	20/20 Gene Systems	Bio Tech	\$50,000	FY 01	Fully Satisfied, Grant Forgiven
4	OrthoSpot.com	Info-Tech	\$80,000	FY 01	Fully Satisfied, Grant Forgiven
5	XFI, Inc.	Info-Tech	\$80,000	FY 01	Fully Satisfied, Grant Forgiven
6	BioMat Sciences, Inc.	Bio Tech	\$60,000	FY 01	Dissolved
7	MarketPlace TV	Info-Tech	\$50,000	FY 01	Dissolved
8	KnowledgeMax, Inc.	Info-Tech	\$70,000	FY 01	Dissolved
9	Corvedia	Info-Tech	\$60,000	FY 01	Fully Satisfied, Grant Forgiven
10	Deus Technologies	Info-Tech	\$80,000	FY 02	Fully Satisfied, Grant Repaid
11	Eka Systems	Info-Tech	\$80,000	FY 02	Fully Satisfied, Grant Repaid
12	Infinity Pharmaceuticals	Bio Tech	\$70,000	FY 03	Dissolved
13	Ipsil	Bio Tech	\$80,000	FY 03	Acquired. Collection
14	DVIP Multimedia	Info-Tech	\$60,000	FY 03	Dissolved.
15	Expression Pathology	Bio Tech	\$50,000	FY 03	Fully Satisfied, Grant Repaid
16	Aptus Pharmaceutical	Bio Tech	\$80,000	FY 03	Acquired. Grant Repaid
17	Data Quality Solutions	Info-Tech	\$50,000	FY 04	Dissolved
18	BioSciCon	Bio Tech	\$25,000	FY 04	Fully Satisfied, Loan Repaid
19	Advanced Vision Therapy	Bio Tech	\$70,000	FY 04	Fully Satisfied, Grant Forgiven
20	TeleContinuity	Telecom	\$60,000	FY 04	Fully Satisfied, Grant Repaid
21	Rexahn	Bio Tech	\$100,000	FY 04	Fully Satisfied, Grant Repaid
22	Procell Corporation	Bio Tech	\$50,000	FY 04	Fully Satisfied, Grant Forgiven
23	Comware, Inc.	Telecom	\$50,000	FY 04	Fully Satisfied, Grant Forgiven
24	KoolSpan, Inc.	Telecom	\$60,000	FY 05	Fully Satisfied, Grant Repaid
25	Mobitrum, Inc.	Info-Tech	\$75,000	FY 05	Fully Satisfied, Grant Forgiven
26	Cranium Software	Info-Tech	\$30,000	FY 05	Fully Satisfied, Grant Forgiven.
27	Apogee Ventures, Inc.	Medical Eq.	\$50,000	FY 05	Dissolved

NO	COMPANY	INDUSTRY	TGP FUNDING	FISCAL YEAR	PROGRESS TO DATE
28	Setecs, Inc.	Info-Tech	\$50,000	FY 05	Fully Satisfied, Grant Forgiven
29	Mobilap, Inc.	Info-Tech	\$30,000	FY 05	Grant Forgiven
30	VorCat, Inc.	Info-Tech	\$50,000	FY 06	Fully Satisfied, Grant Forgiven
31	BioFactura, Inc.	Bio Tech	\$50,000	FY 06	Currently Under Monitoring
32	New Hope Pharmaceuticals	Life Science	\$50,000	FY 06	Dissolved
33	NetImmune, Inc.	Info-Tech	\$60,000	FY 06	Fully Satisfied, Grant Repaid
34	NeoDiagnostix, Inc.	Life Science	\$75,000	FY 06	Fully Satisfied, Grant Repaid
35	WebSolve, Inc.	Info-Tech	\$100,000	FY 06	Dissolved
36	AlphaGenics, Inc.	Life Science	\$50,000	FY 06	Fully Satisfied, Grant Forgiven
37	SMBLive, Inc.	Info-Tech	\$50,000	FY 06	Fully Satisfied, Grant Repaid
38	Owen Software, Inc.	Info-Tech	\$75,000	FY 07	Currently Under Monitoring
39	Aberro, Inc.	Info-Tech	\$50,000	FY 07	Fully Satisfied, Grant Forgiven
40	Anthrotronix, Inc.	Info-Tech	\$50,000	FY 07	Fully Satisfied, Grant Repaid
41	Adriane Genomics, Inc.	Bio Tech	\$80,000	FY 07	Fully Satisfied, Grant Repaid
42	Amulet Pharmaceuticals, Inc.	Bio Tech	\$25,000	FY 07	Fully Satisfied, Grant Forgiven
43	SaleStrong, Inc.	Bio-Tech	\$50,000	FY 07	Fully Satisfied, Grant Forgiven
44	Envisionier Medical Tech	Medical Eqt.	\$60,000	FY 07	Moved. Grant recalled.
45	Neuronascent, Inc.	Info-Tech	\$50,000	FY 07	Fully Satisfied, Grant Forgiven
46	RemeGenix, Inc.	Bio-Tech	\$50,000	FY 07	Currently Under Monitoring
47	RockSoft d/b/a Cilutions	Info-Tech	\$60,000	FY 07	Fully Satisfied, Grant Forgiven
48	3C Logic, Inc.	Info-Tech	\$50,000	FY 08	Currently Under Monitoring
49	Immunomic Therapeutics	Bio-Tech	\$40,000	FY 08	Fully Satisfied, Grant Repaid
50	ZaraCom Technologies, Inc.	Info-Tech	\$60,000	FY 08	Dissolved
51	BroadbandMD, Inc.	Info-Tech	\$50,000	FY 08	Currently Under Monitoring
52	CertusNet, Inc.	Info-Tech	\$75,000	FY 08	Fully Satisfied, Grant Repaid
53	Sirmaomics, Inc.	Bio-Tech	\$50,000	FY 08	Currently Under Monitoring
54	Synaptic Science LLC	Bio-Tech	\$40,000	FY 08	Acquired. Grant Repaid.
55	Cellex, Inc.	Bio-Tech	\$60,000	FY 08	Currently Under Monitoring
56	Global Stem, Inc.	Bio-Tech	\$50,000	FY 08	Acquired. Grant Repaid.
57	AID Networks LLC	Info-Tech	\$50,000	FY 08	Currently Under Monitoring
58	Alper Biotech LLC	Bio-Tech	\$50,000	FY 08	Currently Under Monitoring
59	netXcel, Inc.	Info-Tech	\$30,000	FY 08	Dissolved
60	GenArraytion, Inc.	Bio-Tech	\$50,000	FY 09	Currently Under Monitoring
61	Last Stop Auction, Inc.	Info-Tech	\$60,000	FY 09	Currently Under Monitoring
62	eClinForce, Inc.	Bio-Tech	\$5,000	FY 09	Currently Under Monitoring
63	Foligo Therapeutics, Inc.	Bio-Tech	\$50,000	FY 09	Dissolved
64	Technology Digest, Inc.	Info-Tech	\$50,000	FY 09	Currently Under Monitoring
65	Clarassance, Inc.	Bio-Tech	\$60,000	FY 09	Currently Under Monitoring
66	Rafagen, Inc.	Bio-Tech	\$60,000	FY 10	Currently Under Monitoring
67	Apama BioSciences Corp.	Bio-Tech	\$50,000	FY 10	Currently Under Monitoring
68	Creatv MicroTech, Inc.	Bio-Tech	\$50,000	FY 10	Currently Under Monitoring

NO	COMPANY	INDUSTRY	TGP FUNDING	FISCAL YEAR	PROGRESS TO DATE
69	Celek Pharmaceuticals, LLC	Bio-Tech	\$40,000	FY 10	Currently Under Monitoring
70	Adv. Biomimetic Sensors, Inc.	Bio-Tech	\$40,000	FY 10	Currently Under Monitoring
71	Prolias, LLC	Bio-Tech	\$40,000	FY 10	Currently Under Monitoring
72	SuperNova diagnostics	Bio-Tech	\$95,000	FY 12	Currently Under Monitoring

C. SMALL BUSINESS REVOLVING LOAN PROGRAM

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.

Year Established	FY02
Total Assistance Provided	\$2,517,500
Total Awards Provided	38
Range of Award Amounts	\$9,500 - \$130,000

Since the beginning of SBRLP in July of 2001, the County Council has appropriated a total of \$3,596,579 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, unused fund balance rollover, and other income for the Program from 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.

Cumulative sources and use of funds:

Total Cumulative Appropriation	\$ 3,596,579
including County's new general fund transfer	\$ 600,000
State Matching Funds	\$ 1,000,000
est. Loan Repayment	<u>\$ 1,060,000</u>
Total Cumulative Disbursement	<u>\$ 2,517,500</u>

FY13 Appropriation Status:

FY13 Approved County Appropriation	\$ 224,790
FY12 Year End Balance Re-appropriated for FY13 (est.)	<u>\$ 711,927</u>
Total Appropriation for FY13	\$ 936,717
 FY13 Year-to-Date Disbursement & Commitments	 <u>\$ -</u>
Available Balance for Remaining FY13	\$ 936,717

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

Industry Type	Number of Company	Percentage
Info-tech	10	26%
Restaurant	6	16%
Retail	6	16%
Bio-tech	5	13%
Food	3	8%
Professional Services	3	8%
Art	2	5%
Wholesale	1	3%
Gas Station	1	3%
Training	1	3%
Total	38	100%

As of February 28, 2013, Montgomery County has funded or committed to fund a total of 38 companies for a total of \$2,517,500.

A. Cumulative Funding

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	Written off
13	Dollar Direct, Inc.	Wholesale	\$95,000	Rockville	Bankruptcy
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	Paid off
18	Sashelvis Hair Salon, Inc.	Personal Serv.	\$65,000	Silver Spring	Collection
19	Health Through Friendship	Info-Tech	\$85,000	Rockville	Current
20	Jupiter and J	Retail	\$38,000	Gaithersburg	Written off
21	Bobby's Crabcakes, LLC	Restaurant	\$60,000	Rockville	Bankruptcy
22	Panas, LLC	Retail	\$40,000	Rockville	Paid off
23	Wise Comprehensive Solutions, LLC	Info-Tech	\$60,000	Wheaton	Collection
24	Fireworks Art Café, LLC	Retail	\$15,000	Damascus	Current
25	Mendoza & Associates, Inc.	Professional Serv	\$15,000	Wheaton	Collection
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

NO	COMPANY	INDUSTRY	SBRLP FUNDING	LOCATION	STATUS
28	ITTECOM, Inc.	Info-Tech	\$90,000	Rockville	Current
29	Interior Accents, Etc., Inc.	Retail	\$40,000	Rockville	Bankruptcy
30	My Kitchen	Retail	\$50,000	Rockville	Bankruptcy
31	VAS Concepts, LLC	Info-Tech	\$9,500	Rockville	Collection
32	Addis Ababa Restaurant	Restaurant	\$20,000	Silver Spring	Paid off
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	Collection
36	Panas, LLC	Restaurant	\$75,000	Rockville	Current
37	Rosta, Inc.	Retail	\$100,000	Silver Spring	Collection
38	HeMemics Biotechnologies, Inc.	Bio-Tech	\$30,000	Rockville	Current

D. BIOTECH TAX CREDIT SUPPLEMENT PROGRAM

In FY11, the Biotech Tax Credit Supplement Program was approved by the County Council to provide additional incentive for investors who invest in Montgomery County biotech companies and received the State Biotechnology Investment Tax Credit. \$500,000 was appropriated in FY12 for seed funding. A total investment of \$5,902,500 comprised of sixty six transactions made in the County was eligible to receive the \$500,000 supplemental payment in FY12. All FY11 funds have been disbursed.

Year Established	FY11
Total Assistance Provided	\$500,000
Total Transaction	66
Range of Award Amounts	\$2,177 to \$42,354

The County's Biotech Tax Credit Supplement was established by the County Council as an EDF sub-program in March of 2010 by Expedited Bill 5-10 and was subsequently amended in December of 2011 by Expedited Bill 34-11. The program is intended to operate in conjunction with the State of Maryland Biotechnology Investment Tax Credit Program by offering a supplemental payment to investors who have received a State Biotechnology Investment Tax Credit for their investment in a Montgomery County-based company.

E. SMALL BUSINESS ASSISTANCE PROGRAM

In FY13, the Small Business Assistance Program was approved by the County Council to assist small businesses located in either an enterprise zone or an urban renewal area that are adversely impacted by: redevelopment projects located on property owned by the County; or redevelopment projects financed in whole or in part by the County. The regulation and program policy are being development and there is no appropriation for the Program in FY13.

Year Established	FY13
Approved Appropriation for FY13	\$0
Total Transaction	None

V. EDFGLP 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 certain 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 process, 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, 2013, the Department has monitored 167 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, 2013, 167 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 the property taxes paid by the EDF recipients during the Levy Years 2011 and 2012. Some companies, having just relocated to the County, will begin their tax payments to the County in Calendar Year 2013.

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.

- Real property and personal property taxes paid by the EDFGLP recipients:

Tax Revenue	Levy Year 2012	Cumulative since 1999
	\$7.4 million	\$139.4 million

• Outcome on EDFGLP performance monitoring:

	Company Name	Type	Proj. Jobs Total	Actual Jobs During Monitoring	Status	Award Outcome
1	American Osteopathic Healthcare Assoc	Grant	19	18	Satisfied	Partially Met/Did Not Meet – Made Repayment
2	Fresh Fields/Whole Foods	Grant	75	75	Satisfied	Met Performance Criteria (No Jobs Requirement)
3	Information Systems and Services Inc.	Grant	73	84	Satisfied	Met Performance Criteria (No Jobs Requirement)
4	Medtap, International	Grant	40	43	Satisfied	Met Performance Criteria
5	DocuCorp (MicroDynamics)	Grant	30	30	Satisfied	Met Performance Criteria (No Jobs Requirement)
6	National Council of Senior Citizens	Grant	120	124	Satisfied	Met Performance Criteria
7	NEXGEN	Grant	33	23	Collection	Partially Met/Did Not Meet - Collection
8	Palmer Brothers Painting	Loan	70	60	Satisfied	Met Performance Criteria (No Jobs Requirement)
9	Preferred Pediatrics (Children's Hosp)	Grant	81	79	Satisfied	Partially Met/Did Not Meet – Made Repayment
10	Technology Service Corporation	Grant	60	60	Satisfied	Met Performance Criteria (No Jobs Requirement)
11	Washington Consulting Group	Grant	60	60	Satisfied	Met Performance Criteria (No Jobs Requirement)
12	First Federal Corp.	grant/loan	50	42	Satisfied	Partially Met/Did Not Meet – Made Repayment
13	JZA	Grant	24	27	Satisfied	Met Performance Criteria
14	Information Systems & Solutions Int'l	Grant	80	166	Collection	Partially Met/Did Not Meet - Collection
15	BGS&G Companies	Grant	24	23	Satisfied	Partially Met/Did Not Meet – Made Repayment
16	Forte Software I	Grant	8	18	Paid Off	Partially Met/Did Not Meet – Made Repayment
17	National Micrographics Phase I	Grant	60	37	Collection	Partially Met/Did Not Meet - Collection
18	Decision Systems Technologies	Grant	115	161	Satisfied	Met Performance Criteria
19	Aspen Systems Corporation I (Grant)	Grant	850	930	Satisfied	Met Performance Criteria
20	Electronic Data Systems Inc	Grant	250	662	Satisfied	Met Performance Criteria
21	Poster (amended)	Grant	35	39	Satisfied	Partially Met/Did Not Meet – Made Repayment
22	McKesson Bioservices	Grant	150	312	Satisfied	Met Performance Criteria
23	Infopro	Grant	185	141	Satisfied	Partially Met/Did Not Meet – Made Repayment
24	Johnson Bassin & Shaw	Grant	120	220	Satisfied	Met Performance Criteria
25	Takoma Park Silver Spring Food Co-op	Loan	20	74	Satisfied	Met Performance Criteria
26	Cellmark Diagnostics	Grant	57	50	Satisfied	Partially Met/Did Not Meet – Made Repayment
27	Thomson Technology Services Group	Grant	450	550	Satisfied	Met Performance Criteria
28	KRA	Grant	248	176	Satisfied	Partially Met/Did Not Meet – Made Repayment
29	Hekimian	Grant	290	568	Satisfied	Met Performance Criteria
30	Ferris, Baker Watts, Inc.	Grant	55	82	Satisfied	Met Performance Criteria
31	Centerforce Technology	Grant	58	32	Paid Off	Partially Met/Did Not Meet – Made Repayment
32	Gemelli	Grant	4	4	Satisfied	Met Performance Criteria (No Jobs Requirement)
33	Acacia	Grant	265	258	Satisfied	Partially Met/Did Not Meet – Made Repayment
34	Ernst and Young	Grant	100	100	Paid Off	Partially Met/Did Not Meet – Made Repayment
35	Oleen	Grant	169	60	Satisfied	Partially Met/Did Not Meet – Made Repayment
36	Caelum Research Corporation	grant/loan	155	119	Satisfied	Partially Met/Did Not Meet – Made Repayment
37	Gene Logic	Grant	140	250	Satisfied	Met Performance Criteria
38	ADP Benefit	Grant	185	125	Satisfied	Partially Met/Did Not Meet – Made Repayment
39	Counter Tech	Grant	131	48	Paid Off	Partially Met/Did Not Meet – Made Repayment
40	Cary Medical	Loan	12	4	Paid Off	Partially Met/Did Not Meet – Made Repayment
41	Analytical Sciences, Inc.	Grant	92	279	Satisfied	Met Performance Criteria
42	ISSI (Convista Inc.)	Grant	40	32	Collection	Partially Met/Did Not Meet - Collection
43	Torti Gallas & Partners CHK, Inc.	Grant	84	143	Satisfied	Met Performance Criteria
44	Prolist, Inc.	loan/grant	96	79	Satisfied	Partially Met/Did Not Meet – Made Repayment
45	Aspen Systems Corporation II (Loan)	Loan	150	150	Paid Off	Met Performance Criteria (No Jobs Requirement)
46	OriGene	Loan	81	11	Paid Off	Partially Met/Did Not Meet – Made Repayment
47	Neurotrophic Research Corporation	Loan	17	N/A	Write-Off	Partially Met/Did Not Meet - Collection
48	Optelecom	Loan	112	65	Satisfied	Partially Met/Did Not Meet – Made Repayment
49	EntreMed, Inc.	Grant	100	109	Satisfied	Met Performance Criteria
50	ExpoSoft	loan/grant	185	111	Satisfied	Partially Met/Did Not Meet – Made Repayment
51	Cafet Monet	Loan	17	4	Paid Off	Partially Met/Did Not Meet – Made Repayment
52	Digicon	loan/conv.	283	106	Satisfied	Partially Met/Did Not Meet – Made Repayment
53	Prospects, Associates	Grant	202	202	Satisfied	Partially Met/Did Not Meet – Made Repayment
54	The Institute for Genomic Research	Grant	256	342	Satisfied	Met Performance Criteria
55	Sytel, Inc.	Grant	302	140	Forgiven	Partially Met/Did Not Meet – Made Repayment
56	BioReliance Corporation	Grant	457	535	Satisfied	Met Performance Criteria
57	Softmed Systems	loan/conv	363	257	Paid Off	Partially Met/Did Not Meet – Made Repayment
58	MD Association for Nonprofit Org.	Grant	11	11	Satisfied	Met Performance Criteria

	Company Name	Type	Proj. Jobs Total	Actual Jobs During Monitoring	Status	Award Outcome
59	Earle Palmer Brown	loan/conv	67	81	Collection/Closed	Partially Met/Did Not Meet – Made Repayment
60	GTM Architects, Inc.	Loan	30	39	Paid Off	Partially Met/Did Not Meet – Made Repayment
61	DoxSys	loan/conv	65	130	Satisfied	Met Performance Criteria
62	Palladian Partner	loan/conv	53	49	Satisfied	Partially Met/Did Not Meet – Made Repayment
63	SODEXHO MARRIOTT	loan/conv	350	432	Satisfied	Met Performance Criteria
64	Marconi North America	Grant	959	1,984	Satisfied	Met Performance Criteria
65	ParaGea Communications, Inc.	loan/conv	105	41	Collection	Partially Met/Did Not Meet – Collection
66	International Genetics Associates, Inc.	loan/conv	21	2	Collection	Partially Met/Did Not Meet – Collection
67	HT Medical Systems	loan/conv	100	44	Paid Off	Partially Met/Did Not Meet – Made Repayment
68	Panacea Pharmaceutical	loan/conv	32	2	Paid Off	Partially Met/Did Not Meet – Made Repayment
69	DC Information Systems, Inc.	loan/conv	157	43	Collection	Partially Met/Did Not Meet – Collection
70	BIOMAT Sciences	loan/conv	21	2	Collection	Partially Met/Did Not Meet – Collection
71	Gen Vec	loan/conv	109	121	Paid Off	Met Performance Criteria
72	Collective Communication Corporation	Grant	75	3	Bankruptcy	Partially Met/Did Not Meet – Collection
73	Medispec, Ltd.	Loan	41	21	Satisfied	Partially Met/Did Not Meet – Made Repayment
74	View Point Communication	Grant	6	8	Satisfied	Partially Met/Did Not Meet – Made Repayment
75	NASD	Loan	1,430	1,412	Satisfied	Partially Met/Did Not Meet – Made Repayment
76	Choice Hotels International, Inc.	loan/conv	325	410	Paid Off	Met Performance Criteria
77	Digene	Grant	266	209	Satisfied	Partially Met/Did Not Meet – Made Repayment
78	The ARC of the United States	Grant	40	15	Satisfied	Partially Met/Did Not Meet – Made Repayment
79	Wolpoff and Abramson	loan/conv	815	565	Satisfied	Partially Met/Did Not Meet – Made Repayment
80	ISSI Consulting Group, Inc.	loan/conv	198	113	Collection	Partially Met/Did Not Meet – Collection
81	MEDCO	Grant	N/A	N/A	Satisfied	Met Performance Criteria (No Jobs Requirement)
82	Multispectral	Loan	30	9	Paid Off	Partially Met/Did Not Meet – Made Repayment
83	Viaken Systems, Inc.	loan/conv	229	9	Collection	Partially Met/Did Not Meet – Collection
84	Recovery Point Systems	Grant	45	50	Collection	Partially Met/Did Not Meet – Made Repayment
85	Telperion Network	loan/conv	38	9	Collection	Partially Met/Did Not Meet – Collection
86	Discovery-Caldor	Grant	240	N/A	Satisfied	Met Performance Criteria (No Jobs Requirement)
87	Information Resources Associates, Inc.	Grant	76	36	Collection	Partially Met/Did Not Meet – Collection
88	bid4asset.com	Grant	286	41	Satisfied	Partially Met/Did Not Meet – Made Repayment
89	QIAGEN	loan/conv	300	177	Satisfied	Partially Met/Did Not Meet – Made Repayment
90	Amarex	loan/conv	53	37	Satisfied	Partially Met/Did Not Meet – Made Repayment
91	Origene II	loan/conv	100	52	Paid Off	Partially Met/Did Not Meet – Made Repayment
92	Covance Healthcare (CHAOES)	Grant	240	277	Satisfied	Met Performance Criteria
93	Intervise Consultants, Inc.	Grant	135	125	Satisfied	Partially Met/Did Not Meet – Made Repayment
94	Marriott International	loan/conv	3,990	4,074	Satisfied	Met Performance Criteria
95	Arbros Communications, Inc.	Grant	484	52	Collection	Partially Met/Did Not Meet – Collection
96	Discovery Communications	Grant	1,104	1,606	Satisfied	Met Performance Criteria
97	GeneLogic (Phase II)	Grant	424	224	Satisfied	Partially Met/Did Not Meet – Made Repayment
98	Manugistics Inc.	loan/conv	955	565	Satisfied	Partially Met/Did Not Meet – Made Repayment
99	Social & Scientific Systems	loan/conv	328	405	Satisfied	Met Performance Criteria
100	Quanta BioSciences	Loan	1	11	Paid Off	Met Performance Criteria
101	Social & Scientific Systems	Grant	N/A	N/A	Satisfied	Met Performance Criteria
102	Thales Communications	Grant	247	486	Satisfied	Met Performance Criteria
103	OTG Software	loan/conv	395	173	Satisfied	Partially Met/Did Not Meet – Made Repayment
104	OPNET Technologies	loan/conv	347	254	Satisfied	Partially Met/Did Not Meet – Made Repayment
105	NeuralStem, Inc.	Grant	141	46	paid off	Partially Met/Did Not Meet – Made Repayment
106	Acterna (now JDSU)	loan/conv	1,147	717	Settled	Partially Met/Did Not Meet – Made Repayment
107	SAS Institute	Grant	193	125	Satisfied	Partially Met/Did Not Meet – Made Repayment
108	Panacos Pharmaceutical Inc.	loan/conv	23	19	Satisfied	Partially Met/Did Not Meet – Made Repayment
109	Primary Care Coalition of Mont.County	Grant	38	36	Satisfied	Partially Met/Did Not Meet – Made Repayment
110	MaxCyte	Grant	46	21	Recalled	Partially Met/Did Not Meet – Made Repayment
111	Imatek	Grant	20	48	Satisfied	Met Performance Criteria
112	MedImmune	loan/conv	438	929	Satisfied	Met Performance Criteria
113	MiddleBrook Pharmaceuticals	loan/conv	84	107	Satisfied	Met Performance Criteria
114	Intradigm Corp	Loan	37	19	Paid Off	Partially Met/Did Not Meet – Made Repayment
115	Cubanos Restaurant	Grant	19	27	Satisfied	Met Performance Criteria
116	Aspen Group	Grant	42	61	Satisfied	Met Performance Criteria
117	American Youth Hostels, Inc.	Grant	33	28	Paid off	Partially Met/Did Not Meet – Made Repayment
118	United Healthcare Services	Grant	431	441	Satisfied	Met Performance Criteria
119	About Web	loan/grant	30	41	Satisfied	Met Performance Criteria

	Company Name	Type	Proj. Jobs Total	Actual Jobs During Monitoring	Status	Award Outcome
120	Centers for Behavioral Health	loan/conv	41	99	Paid off	Met Performance Criteria
121	TV One, LLC	Grant	70	71	Satisfied	Met Performance Criteria
122	Kierkegaard & Perry Laboratories	Grant	63	59	Paid off	Partially Met/Did Not Meet – Made Repayment
123	BioSpace International Corporation	Grant	41	4	Collection	Partially Met/Did Not Meet – Collection
124	Encore Management	Grant	149	48	Satisfied	Partially Met/Did Not Meet – Made Repayment
125	Proxy Aviation	Grant	45	28	Paid off	Met Performance Criteria
126	Macrogenics	Grant	81	147	Satisfied	Partially Met/Did Not Meet – Made Repayment
127	Eakin/Youngentob	Grant	108	102	Satisfied	Partially Met/Did Not Meet – Made Repayment
128	Kierkegaard & Perry Laboratories	Grant	N/A	N/A	Forgiven	Met Performance Criteria (No Jobs Requirement)
129	Westfield Corporation	Grant	500		Under Monitoring	Still Under Monitoring
130	World Space	Grant	95	131	Bankruptcy	Partially Met/Did Not Meet – Collection
131	8606 Colesville Rd., LLC	Grant	32	23	Collection	Partially Met/Did Not Meet – Made Repayment
132	Health Through Friendship	Grant	15	33	Satisfied	Met Performance Criteria
133	Bethesda Cultural Alliance	Grant	N/A	N/A	Collection	Partially Met/Did Not Meet – Collection
134	Internationa Municipal Lawyers Assoc.	Grant	9	9	Satisfied	Met Performance Criteria
135	Fillmore/Birchmere Project	Grant	N/A	N/A	Satisfied	Met Performance Criteria (No Jobs Requirement)
136	Host International	Grant	534	446	Paid Off	Partially Met/Did Not Meet – Made Repayment
137	Xceleron	Grant	100		Under Monitoring	Still Under Monitoring
138	Sigma-Tau Pharmaceuticals, Inc.	Grant	62	49	Paid off	Partially Met/Did Not Meet – Made Repayment
139	Novavax	Grant	53	115	Satisfied	Met Performance Criteria
140	WeddingWire, Inc.	Grant	18		Under Monitoring	Still Under Monitoring
141	TIG Global	Grant	182	126	Paid off	Partially Met/Did Not Meet – Made Repayment
142	Innovative Biosensors, Inc.	Grant	34	16	Recalled	Partially Met/Did Not Meet – Made Repayment
143	EKA Systems	Grant	80	61	Paid off	Partially Met/Did Not Meet – Made Repayment
144	InfosPhenix	Grant	55	30	Satisfied	Partially Met/Did Not Meet – Made Repayment
145	ClassifEye, Inc.	Grant	10	1	Collection	Partially Met/Did Not Meet – Collection
146	OpGen	Grant	100		Under Monitoring	Still Under Monitoring
147	Lockheed Martin	Grant	420	441	Satisfied	Met Performance Criteria
148	RNL Biostar	Grant	54		Under Monitoring	Still Under Monitoring
149	Zyngenia	Grant	20		Under Monitoring	Still Under Monitoring
150	UnionBridge	Grant	2		Under Monitoring	Still Under Monitoring
151	Noble Life Sciences	Grant	26		Under Monitoring	Still Under Monitoring
152	International Baccalaureate	Grant	250		Under Monitoring	Still Under Monitoring
153	Advanced Bioscience Laboratories	Grant	128		Under Monitoring	Still Under Monitoring
154	Beech Street Capital	Grant	97		Under Monitoring	Still Under Monitoring
155	Government Sales Specialists, LLC	Grant	25		Under Monitoring	Still Under Monitoring
156	Neogenix Oncology, Inc.	Grant	30		Under Monitoring	Still Under Monitoring
157	Clean Currents, Inc.	Grant	29		Under Monitoring	Still Under Monitoring
158	Yisheng US BioPharma, Inc.	Grant	21		Under Monitoring	Still Under Monitoring
159	ICF Consulting Group, Inc.	Grant	367		Under Monitoring	Still Under Monitoring
160	Thales Communications, Inc.	Grant	435		Under Monitoring	Still Under Monitoring
161	Digital Receiver Technology	Grant	588		Under Monitoring	Still Under Monitoring
162	FCP Fund Manager	Grant	30		Under Monitoring	Still Under Monitoring
163	Wheaton Plaza Regional Shopping Ctr	Grant	N/A		Under Monitoring	Still Under Monitoring
164	TV One / Radio One	Grant	210		Under Monitoring	Still Under Monitoring
165	Cytomedix	Grant	23		Under Monitoring	Still Under Monitoring
166	Duball Rockville, LLC	Grant	N/A		Under Monitoring	Still Under Monitoring
167	AC Acquisition, LLC (Radio America)	Grant	11		Under Monitoring	Still Under Monitoring

Notes:

- If N/A is listed for “Actual Jobs Under Monitoring”, there was no jobs requirement in the EDFA. Peak number during the years under monitoring is used for this report.
- If the “Actual Jobs Druing Monitoring” column is blank, the case is still under monitoring.

VII. 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) re-locate 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
FY12	None
FY11	None
FY10	\$70,770

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
FY12	\$1,243,237
FY11	\$1,290,623
FY10	\$1,104,991

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.

Fiscal Year	Credit Amount
FY12	\$1,254,042
FY11	\$1,209,611
FY10	\$2,125,235

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 resident artist or an arts and entertainment enterprise.

Fiscal Year	Credit Amount
FY12	\$1,495
FY11	\$3,806
FY10	\$4,428

VII. 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 2012
Shady Grove Innovation Center ("SGIC")	1999	Rockville	86%	45	250	1
Silver Spring Innovation Center ("SSIC")	2004	Silver Spring	86%	20	250	1
Wheaton Business Innovation Center ("WBIC")	2006	Wheaton	95%	20	67	1
Rockville Innovation Center ("RIC")	2007	Rockville	94%	21	257	6
Germantown Innovation Center ("GIC")	2008	Germantown	92%	27	122	1

Montgomery County has become one of the nation's leading biotechnology and information technology hubs. The following illustrates the status of the Incubator Program in 2012:

- Currently, there are 133 tenants at SGIC, SSIC, WBIC, RIC, and GIC.
- 10 companies have successfully graduated from the incubators in 2012.
- Current incubator companies employ workforce of more than 940.

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:

- Percentage of TGP recipients:

Incubator Companies	54%
Non-Incubator Companies	46%

- Percentage of SBRLP recipients:

Incubator Companies	33%
Non-Incubator Companies	77%
