

**INTRODUCTION**

**MEMORANDUM**

March 12, 2009

TO: County Council

FROM: Justina J. Ferber,  Legislative Analyst

SUBJECT: Resolution to Support Maryland Economic Development Assistance Authority and Fund (MEDAAF) Conditional Loan for Lockheed Martin Corporation for \$400,000

The County Executive has requested the Council adopt a resolution endorsing a Maryland Economic Development Assistance Authority and Fund (MEDAAF) conditional loan of \$400,000 for Lockheed Martin Corporation. Section 5-1405, Article 83A, Annotated Code of Maryland, provides that the County must endorse the MEDAAF loan but does not require a County full faith and credit guaranty. The purpose of the MEDAAF loan is to assist Lockheed Martin Corporation's expansion in the County. The County has approved \$40,000 from the Economic Development Fund.

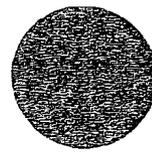
Lockheed Martin Corporation currently employs 299 employees at a facility in Rockville and the company is in the process of renovating the building with a capital investment of \$4.2 million and plans to employ at least 450 full-time jobs at the facility by the end of 2011.

**INTRODUCTION**

Council staff recommends County Council introduction of the resolution to endorse the MEDAAF conditional loan of \$400,000 to assist Lockheed Martin Corporation's expansion in the County.

Attachment: Executive Memorandum ©1  
Resolution ©2

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OFFICE OF THE COUNTY EXECUTIVE  
ROCKVILLE, MARYLAND 20850

Isiah Leggett  
County Executive

MEMORANDUM

March 11, 2009

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FROM: ISIAH LEGGETT, COUNTY EXECUTIVE

TO: Phil Andrews, President, County Council  
FROM: Isiah Leggett, County Executive *[Signature]*  
SUBJECT: MEDAAF Resolution for Lockheed Martin Corporation

The purpose of this memorandum is to request that the Montgomery County Council introduce and adopt a resolution acknowledging that the State of Maryland is utilizing its Maryland Economic Development Assistance Authority And Fund (MEDAAF) to assist in a business transaction in Montgomery County. This financing program does not require a local jurisdiction's full faith and credit guaranty, but only requires that the local jurisdiction pass a resolution of support.

Specifically, the County has negotiated with the State to provide a funding package of \$440,000 to assist Lockheed Martin Corporation's expansion in Montgomery County. The State will assist the company through a \$400,000 loan from the MEDAAF program. The County has approved \$40,000 from its Economic Development Fund.

The financial assistance package from both the State and the County are in the form of a conditional loan that can be partially or entirely converted to a grant upon Lockheed Martin Corporation's achievement of their projected job creation milestones.

Lockheed Martin Corporation currently employs 299 employees at a facility located at 1 Curie Court, Rockville. The company is in the process of renovating the building with an estimated capital investment of \$4.2 million and plans to employ at least 450 full-time jobs at the facility by the end of 2011. Lockheed Martin Corporation would greatly benefit from the Council's passage of the required resolution, which is attached.

I would appreciate the Council's prompt action on this important matter.

IL/ll

Attachments

Resolution No: \_\_\_\_\_  
Introduced: \_\_\_\_\_  
Adopted: \_\_\_\_\_

COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND

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By: County Council at the request of the County Executive

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SUBJECT: Maryland Economic Development Assistance Authority And Fund  
Loan to assist Lockheed Martin Corporation's expansion in Montgomery County

Background

1. The County Executive endorses a conditional loan of \$400,000 to Lockheed Martin Corporation ("Lockheed Martin") from the State of Maryland under the Maryland Economic Development Assistance Authority And Fund (MEDAAF), which is codified in Section 5-319 Economic Development Article, Annotated Code of Maryland.
2. MEDAAF provides conditional grant/loans to businesses engaged in eligible industries locating to or expanding in a "priority funding area" in the State of Maryland. Proceeds from the grant/loan may be used by the borrower to cover new facility rental/lease payments and/or relocation expenses associated with personnel and/or the physical relocation of the headquarters operation.
3. The County Executive has approved a conditional loan of \$40,000 from the County's Economic Development Fund (EDF) to assist Lockheed Martin's expansion in the County.
4. Montgomery County has been home to the headquarters of world renowned Lockheed Martin. The company is the world's largest aerospace manufacturer and advanced technology company.
5. Lockheed Martin is in the process of renovating its facility located at 1 Curie Court in Rockville, which is comprised approximately 130,000 square feet of office space. Lockheed Martin plans to employ at least 450 full-time jobs at the facility by the end of 2011.
6. Section 5-319 Economic and Development Article, Annotated Code of Maryland, requires the governing body of Montgomery County ("the County") to endorse the granting of a MEDAAF loan for the project.
7. The County has determined that granting the MEDAAF loan for the Project is in the best interest of the citizens of the County.
8. The County Executive requests endorsement of the MEDAAF loan by the County Council.

Action

The County Council for Montgomery County, Maryland, approves the following resolution:

The County Council fully endorses the granting of a MEDAAF loan for the Project.

This Resolution shall be effective upon its adoption in accordance with applicable law.

This is a correct copy of Council action:

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Linda Lauer, CMC  
Clerk of the Council

Approved:

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Isiah Leggett  
County Executive