

MEMORANDUM

June 18, 2010

TO: County Council

FROM: Justina J. Ferber  Legislative Analyst

SUBJECT: Resolution to Support Maryland Economic Development Assistance Authority and Fund (MEDAAF) Conditional Loan for Advanced BioScience Laboratories, Inc. for \$120,000

The County Executive has requested the Council adopt a resolution endorsing a Maryland Economic Development Assistance Authority and Fund (MEDAAF) conditional loan of \$120,000 for Advanced BioScience Laboratories, Inc. 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 provide a financial incentive to Advanced BioScience Laboratories. The County approved an \$80,000 conditional loan from the Economic Development Fund to assist Advanced BioScience Laboratories' expansion in the County.

Advanced BioScience Laboratories, Inc. is a subsidiary of a large French company and has been in the County for almost 40 years. The company is a preclinical research organization that specializes in the field of infectious diseases vaccine development. The company plans to lease approximately 107,000 square feet of new and existing office and manufacturing space in the County.

ACTION

Council staff recommends County Council action on the resolution to endorse the MEDAAF conditional loan of \$120,000 to provide financial incentives from the State of Maryland to Advanced BioScience Laboratories, Inc.

Attachment: Executive Memorandum ©1
Resolution ©2



OFFICE OF THE COUNTY EXECUTIVE
ROCKVILLE, MARYLAND 20850

Isiah Leggett
County Executive

MEMORANDUM

May 26, 2010

TO: Nancy Floreen, President, County Council

FROM: Isiah Leggett, County Executive 

SUBJECT: MEDAAF Resolution for Advanced BioScience Laboratories, Inc.

The purpose of this memorandum is to request that the Montgomery County Council introduce and adopt a resolution. This resolution acknowledges that the State of Maryland is utilizing its Maryland Economic Development Assistance Authority and Fund ("MEDAAF") to provide a financial incentive to Advanced BioScience Laboratories, Inc. 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 State will assist Advanced BioScience Laboratories, Inc. through a \$120,000 conditional loan from the MEDAAF program. The County has approved an \$80,000 conditional loan from its Economic Development Fund. The financial incentives from the State and the County can be partially or entirely converted to a permanent grant upon Advanced BioScience Laboratories, Inc.'s achievement of their projected job creation or equity investment milestones.

Advanced BioScience Laboratories, Inc. is a preclinical contract research organization that specializes in the field of infectious diseases vaccine development. The company will lease approximately 107,000 square feet of new and existing office and manufacturing space in the County and plans to make a capital investment of approximately \$13,000,000 for tenant fit-out. Advanced BioScience Laboratories, Inc. 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

Attachment

Resolution No: _____

Introduced: _____

Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: County Council at the request of the County Executive

SUBJECT: Maryland Economic Development Assistance Authority and Fund
Loan to assist Advanced BioScience Laboratories, Inc.'s expansion
in Montgomery County (\$120,000)

Background

1. The County Executive endorses a conditional loan of \$120,000 to Advanced BioScience Laboratories, Inc. ("ABL") from the State of Maryland under the Maryland Economic Development Assistance Authority and Fund ("MEDAAF"), which is codified as in Section 5-319 Economic Development Article, Annotated Code of Maryland.
2. MEDAAF provides conditional grants/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 has approved a conditional loan of \$80,000 from the County's Economic Development Fund ("EDF") to assist ABL's expansion in the County.
4. ABL is a subsidiary of a large French company and has been in the County for almost 40 years. The company is a preclinical contract research organization that specializes in the field of infectious diseases vaccine development. The company currently has 97 employees in the County.
5. ABL plans to lease approximately 107,000 square feet of new and existing office and manufacturing space in the County. The space consists of approximately 72,000 square feet located at 9800 Medical Center Drive and 35,000 square feet at 1330 Picaard Drive in the County. ABL plans to invest approximately \$13,000,000 in tenant fit-out to meet its unique requirements. ABL plans to provide at least 128 full-time jobs in the County by the end of 2017.
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:

Linda Lauer, CMC
Clerk of the Council

Approved:

Isiah Leggett
County Executive