

Resolution No.: 18-12
Introduced: December 2, 2014
Adopted: December 9, 2014

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council at the request of the Executive

SUBJECT: Maryland Economic Development Assistance Authority and Fund (MEDAAF)
Loan to assist Rapid Financial Services, LLC's expansion in Montgomery County
(\$200,000)

Background

1. The County Executive endorses a conditional loan of \$200,000 to Rapid Financial Services, LLC ("Rapid Financial Services") from the State of Maryland under the Maryland Economic Development Assistance Authority and Fund ("MEDAAF"), which is codified under Md. Code Ann., Econ. Dev. §§5-301-5-349.
2. MEDAAF provides conditional grants and 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 or loan may be used by the borrower to reimburse it for the acquisition or construction of buildings or real estate, and acquisition, construction and installation of machinery, equipment, furnishings, fixtures, leasehold improvements, site improvements, or infrastructure improvements.
3. The County approved a conditional grant of \$100,000 from the County's Economic Development Fund ("EDF") to assist Rapid Financial Services' relocation and expansion in the County ("grant") on September 23, 2014. This grant will be funded from the current EDF fund balance. With the grant, Montgomery County has met the requirement of financing a part of the costs of Rapid Financial Service's relocation and expansion in the County, which is equal to at least 10% of the financial assistance to be provided from MEDAAF, as required by §5-319(d) of the Economic Development Article.
4. The State will disburse the MEDAAF loan to Rapid Financial Services upon the State entering a MEDAAF Agreement with Rapid Financial Services. The County is not a party to this MEDAAF Agreement with Rapid Financial Services.
5. Rapid Financial Services is one of the leading independent providers of unsecured small business loans and merchant cash advances in the small business finance industry. To

6. Due to its rapid growth, Rapid Financial Services considered both Bethesda and Fairfax for its new headquarters, and the company recently signed a lease for property located at 4500 East West Highway in Bethesda with a total of 28,000 square feet. Rapid Financial Services' total capital investment in connection with its relocation and expansion in Montgomery County is estimated to be \$2.5 million and the company plans to hire for 124 full-time jobs, in addition to its current 87 jobs in the County. This expansion project is consistent with the county's economic development strategic plan.
7. Section 5-319(d) of the Economic Development Article requires the governing body of the jurisdiction in which the project is located to endorse, by a formal resolution, the State's grant of the MEDAAF loan for the project.
8. The County has determined that granting the MEDAAF loan for the project is in the best interest of the citizens of the County.
9. The County Executive requests that the Council adopt this formal resolution approving the MEDAAF loan to support Rapid Financial Services' relocation and expansion in Montgomery County.

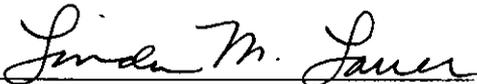
Action

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

The County Council hereby endorses the State's grant of a \$200,000 MEDAAF loan to support Rapid Financial Services, LLC's costs in connection with its relocation and expansion in Montgomery County.

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

This is a correct copy of Council action.


Linda M. Lauer, Clerk of the Council