ECONOMIC DEVELOPMENT FUND

PROGRAM:
Economic Development Grant and Loan Program

PROGRAM ELEMENT:

PROGRAM MISSION:
To offer financial assistance to private employers who are located or who plan to locate or substantially expand operations in the County in order to increase job opportunities for County residents, enhance the County's competitiveness nationally, and increase its tax base

COMMUNITY OUTCOMES SUPPORTED:
- Increase employment opportunities and economic security for County residents
- Expand and enhance the value of the County's tax base
- Foster a positive business climate

PROGRAM MEASURES[a]	FY01 ACTUAL	FY02 ACTUAL	FY03 ACTUAL	FY04 BUDGET	FY05 CE REC
Outcomes/Results:[b,c]					
Number of businesses that expanded or located in the County	15	15	6	8	6
Number of jobs retained in the County or attracted from other jurisdictions	4,746	2,316	407	700	250
Number of new jobs projected to be created within 3 years of EDF assistance	3,117	1,989	233	1,250	400
Amount of new private capital invested or projected to be invested ($000)	441,405	215,410	84,395	41,000	11,000
Service Quality:					
Average time from submission of the application to making the EDF offer (days)[d]	22	20	19	19	18
Efficiency:					
Amount of EDF assistance provided per job retained or created ($)	710	478	1,005	3,554	542
Amount of private capital invested in projects per dollar of EDF assistance ($)	79	106	131	6	31
Workload/Outputs:					
Number of EDF offers of assistance made to the applicant businesses	30	18	7	7	6
Inputs:					
Expenditures (disbursements from cumulative appropriations) ($000)	5,580	2,040	643	6,931	352
Annual approved budget + supplemental appropriations ($000)	5,221	2,221	480	[e]6,931	352

Notes:

[a]Detailed information on EDF transactions is published in an annual report to the County Council on March 15 of each year. Due to the difference in the reporting year used for that report versus the fiscal year used here, the results reported here may differ from those in the annual report.

[b]Due to the very dynamic nature of business expansion/relocation projects, the information provided above must be constantly updated to remain accurate. The figures shown in this display are, therefore, subject to adjustments from year to year. For example, a business that relocated to the County from New Jersey in FY00 could, due to a subsequent merger, move out of the County in FY02, prompting an adjustment to the reported Outcomes/Results for FY00.

[c]There is a time lag between when a company accepts the EDF assistance and when the EDF disbursement to that company is made. To achieve consistency in reporting, Outcomes/Results are reported when a business receives EDF disbursement, not when it accepts the offer.

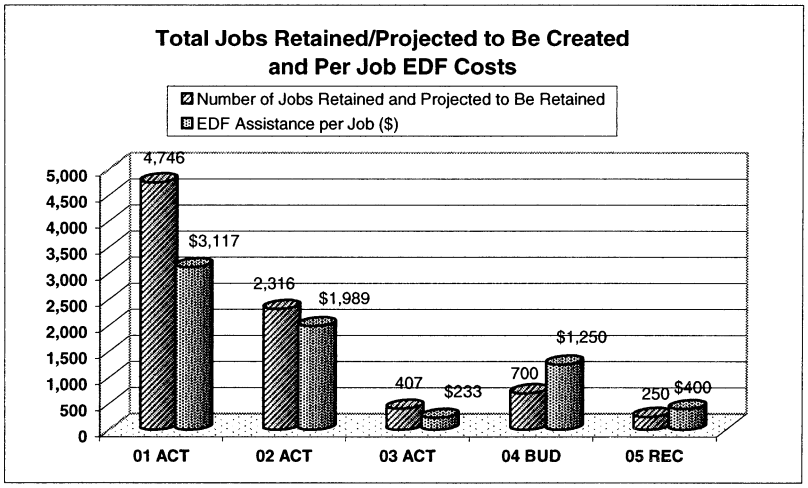
[d]Application processing time includes fiscal impact analysis, due diligence, and negotiations with the State of Maryland.

[e]For FY04, $6 million will be required to close the deal for the Westfield's Parking Project to attract Macy's into the Wheaton Mall, and $750,000 will be needed to close the deal for the Nederlander project. Thus, a total of $6.75 million will be required in addition to the $181,260 in the FY04 estimated budget.

EXPLANATION:

The Economic Development Fund (EDF) program consists of four sub-programs: the Economic Development Grant and Loan Program, the Technology Growth Program, the Small Business Revolving Loan Program, and the Demolition Loan Program. The first three sub-programs are administered by the Department of Economic Development, and the fourth by the Department of Housing and Community Affairs. The EDF itself is administered by the Department of Finance. This page only reports on the Economic Development Grant and Loan Program, which has the largest budget and broadest usage.

The EDF has consistently realized a greater leverage ratio of private sector capital to EDF dollars invested - and a much lower per-job cost than comparable economic financing programs (most of which expend over $3,000 to retain/create a job).



PROGRAM PARTNERS IN SUPPORT OF OUTCOMES: Department of Finance, Office of the County Attorney, State of Maryland.

MAJOR RELATED PLANS AND GUIDELINES: County Code Chapter 20-73 to 20-76, Executive Regulation 47-95, Senate Bill 446, Executive Regulation 23-99AM, The Annotated Code of Maryland, Article 83, Section 5-1405.