



DEPARTMENT OF FINANCE

Isiah Leggett
County Executive

Alexandre A. Espinosa
Director

MEMORANDUM

April 26, 2017

TO: Isiah Leggett, County Executive

FROM: 
Alexandre A. Espinosa, Director
Department of Finance

SUBJECT: Transmittal: 2016 Small Business Plus! Annual Report

Attached please find the 2016 Small Business Plus! Annual Report. Since you initiated this program in 2012, the County in partnership with local community banks, has spurred the creation of over 1,300 new jobs. In addition, the County has earned a competitive rate of return on its deposits placed with participating local community banks.

I would like to express my appreciation and support for the engagement and support of the local community banks that are a part of this program including Eagle Bank, Congressional Bank, and Capital Bank.

cc: Montgomery County Council
Timothy L. Firestine, Chief Administrative Officer
Jennifer A. Hughes, Director, Office of Management and Budget
Patrick Lacefield, Director, Office of Public Information
Lily Qi, Assistant Chief Administrative Officer, County Executive's Office
David Petr, President, Montgomery County Economic Development Corporation

Office of the Director

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2016 ANNUAL REPORT

SMALL BUSINESS PLUS! PROGRAM

APRIL 2017

**MONTGOMERY COUNTY
GOVERNMENT**

DEPARTMENT OF FINANCE



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Program Background

The Small Business Plus! Program was launched by County Executive Isiah Leggett in the summer of 2012 as a partnership with local community banks to boost lending to local small businesses and spur job creation in Montgomery County. Through this program, Montgomery County places deposits with community banks to generate jobs for the benefit of County residents, while providing the County with a competitive rate of return on those deposits. Deposits are secured by FDIC insurance, and placed with community banks which are deemed safe and sound.

Program Results

The Small Business Plus! Program began with an initial total deposit of \$10 million with several local community banks in 2012 and has since expanded into deposits of approximately \$50 million as of December 31, 2016 and has generated interest income of over \$608,000 and created an estimated 1,354 jobs.

Tables

Table I:	Total County Deposits		
	Average for 2016	Deposits as of 12/31/16	Interest Income
Capital Bank	\$2,501,133	\$2,504,534	\$11,061
Congressional Bank	\$3,509,070	\$3,806,033	\$19,152
Eagle Bank	\$39,780,542	\$43,664,884	\$219,052
TOTAL	\$45,790,745	\$49,975,451	\$249,265

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Table II:		Small Business Plus Loans from County Deposits 2016		
	Available for SBP Loans	Total Loans Made from Deposits	Loan Balance as of 12/31/16	Total Average Loan Balance
Capital Bank	\$5,009,069	\$9,265,420	\$5,658,374	\$8,712,202
Congressional Bank	\$7,612,066	\$16,328,887	\$12,070,036	\$11,114,170
Eagle Bank	\$87,329,768	\$102,959,832	\$70,728,829	\$35,487,724
TOTAL	\$99,950,902	\$128,554,139	\$88,457,239	\$55,314,096

Note: Data in "Available for SBP Loans" column indicates the sum of County Deposits and 100% matching Bank amount.

Table III:	Total Estimated 2016 Jobs Created
Capital Bank	18.2
Congressional Bank	20.9
Eagle Bank	246.8
TOTAL	285.9

Note: Job creation estimates were derived using the Department of Commerce's Regional Input-Output Modeling System (RIMS II).

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Table IV:	Total Interest Income Since Inception					
	2012	2013	2014	2015	2016	TOTAL
Capital Bank	\$1,017	\$4,887	\$6,501	\$9,689	\$11,061	\$33,156
Congressional Bank	\$1,161	\$6,980	\$11,742	\$15,405	\$19,152	\$54,440
Eagle Bank	\$6,952	\$51,664	\$89,588	\$134,979	\$219,052	\$502,233
Monument Bank	\$0	\$598	\$0	\$0	\$0	\$598
OBA Bank	\$1,941	\$6,919	\$9,193	\$0	\$0	\$18,052
TOTAL	\$11,070	\$71,048	\$117,023	\$160,072	\$249,266	\$608,479

Table V:	Total Estimated Jobs Created Since Inception					
	2012	2013	2014	2015	2016	TOTAL
Capital Bank	4.4	10.9	13.9	15.2	18.2	62.6
Congressional Bank	9.5	31.5	38.0	28.0	20.9	127.9
Eagle Bank	55.5	200.5	328.3	309.0	246.8	1,140.1
OBA Bank	13.2	10.9	N/A	N/A	N/A	24.1
TOTAL	82.6	253.8	380.2	352.2	285.9	1,354.7

Note(1): Monument Bank elected not to continue participation in the Small Business Plus! Program in 2013
 Note(2): Effective September 20, 2014, OBA Bank was acquired by First National Bank Corporation of Pennsylvania and no longer headquartered in Montgomery County, therefore not eligible to participate in the Small Business Plus! Program.