

Resolution No.: 18-255  
Introduced: September 22, 2015  
Adopted: September 29, 2015

**COUNTY COUNCIL  
FOR MONTGOMERY COUNTY, MARYLAND**

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Lead Sponsor: Council President at the request of the County Executive

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**SUBJECT:** Maryland Economic Development Assistance Authority and Fund Loan to assist VariQ Corporation's expansion in Montgomery County (\$280,000)

**Background**

1. The Maryland Economic Development Assistance Authority and Fund ("MEDAAF") provides conditional grants and loans to businesses engaged in eligible industries locating to or expanding in a "priority funding area" in the State. See Md. Code Ann., Econ. Dev. §§ 5-301-5-349; Md. Code Ann., State Fin. & Proc., § 5-7B-04. Proceeds from the grant or loan may be used by a business 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.
2. The County Executive endorses a conditional loan of \$280,000 to VariQ Corporation (the "Company") from the MEDAAF.
3. The County previously approved a conditional grant of \$100,000 from the County's Economic Development Fund ("EDF") to assist the Company's relocation and expansion in the County (the "Grant"). This Grant will be funded from the current EDF fund balance. With the Grant, Montgomery County (the "County") has met the requirement of financing a part of the costs of the Company'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 the Company upon the State entering a MEDAAF Agreement with the Company. The County is not a party to this MEDAAF Agreement between the State and the Company.
5. The Company is an information technology company that delivers advance technology systems for government and commercial clients. The Company's revenue has grown by more than 300% in the last three years, and their accomplishments have been recognized through numerous awards, such as the "2015 Project of the Year Award" by the Small

and Emerging Contractors Advisory Forum for the Company's Internal Revenue Service Risk Management Program.

6. Due to its growth, the Company considered both Rockville and Northern Virginia for its expansion. The Company recently signed a sublease for a property located at 2600 Tower Oaks Boulevard in Rockville for approximately 26,000 square feet. The Company's total capital investment in connection with its relocation and expansion in Montgomery County is estimated to be \$400,000, and the Company plans to hire 158 new, full-time jobs, in addition to its current 17 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 endorsing the MEDAAF loan to support the Company's 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 of Maryland's grant of a \$280,000 MEDAAF loan to support VariQ Corporation's costs in connection with its relocation and expansion in Montgomery County.

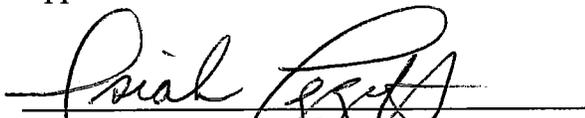
This Resolution is effective upon its adoption.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

Approved:

  
Isiah Leggett, County Executive