

Resolution No.:	<u>18-737</u>
Introduced:	<u>February 14, 2017</u>
Adopted:	<u>February 21, 2017</u>

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

Lead Sponsor: Council President at the Request of the Executive

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

Background

1. The County Executive endorses a conditional loan of \$200,000 to InfoZen, LLC ("InfoZen") 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 has approved a conditional grant of \$100,000 from the County's Economic Development Fund ("EDF") to assist InfoZen's expansion and job-growth in the County ("grant") on November 17, 2016. 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 InfoZen'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 the §5-319(d) of the Economic Development Article.
4. The State will disburse the MEDAAF loan to InfoZen upon the State entering a MEDAAF Agreement with InfoZen. The County is not a party to this MEDAAF Agreement with InfoZen.

5. InfoZen was founded in 1995 and has operated in Montgomery County for more than 20 years. The Company focuses on mission critical IT and cloud IT services and solutions for the Federal Government. Government contracts represent a significant portion of their revenue stream. The Company currently employs 20 full-time positions in Montgomery County and an additional 155 full-time positions throughout the D.C. region.
6. InfoZen in 2016 won a \$207 million contract (4-year term) with the Department of Homeland Security. This contract requires that they lease an additional 30,000 square feet of space to house the approximately 250 full-time positions required to implement the contract. Since the Company is replacing the previous prime for this contract, approximately 150 full-time positions will be relocated from Washington D.C. to the new location. The Company will hire the remaining 100 positions. 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 InfoZen's 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 and defray InfoZen's costs in connection with its 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