

Resolution No.: 18-1205
Introduced: July 17, 2018
Adopted: July 24, 2018

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

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

SUBJECT: Maryland Economic Development Assistance Authority and Fund
Loan to assist Altimune, Inc.'s expansion in Montgomery County (\$150,000)

Background

1. The County Executive endorses a conditional loan of \$150,000 to Altimune, Inc. (the "Company") 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 the Company's expansion and job-growth in the County ("grant") on April 21, 2017. 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 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 the §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 with the Company.

5. The Company is clinical stage biotechnology company focused on immunotherapeutics addressing acute respiratory infections, chronic viral infections, and cancer. Formerly known as Vaxin, Inc., the company was founded in 1977, establishing its headquarters in Montgomery County with additional operating sites in London, UK and Strasbourg, France. Altimmune is currently in Phase 1 clinical trials for its Nasovax and HepTcell products. With the support of a \$120 million contract from the U.S. Biomedical Advance research and Development Authority (BARDA), the company is engaged preclinically, in the development of an intranasal vaccine to provide protection against anthrax. To that end, the Company has merged with PharmAthene, Inc., an Annapolis biodefense company also developing medical countermeasures against anthrax. The Company will remain the entity's name post-merger and the company's headquarters will remain and expand in Montgomery County.
6. The merger and reorganization will require additional office and laboratory space. The Company will lease approximately 14,000 square feet of space at 910 Clopper Road in Gaithersburg to accommodate headquarters operations and additional laboratory space. Staff is anticipated to grow in the next 3 years from the present level of 14 to 59. All the new positions are anticipated to be professional level with an average salary of over \$142,000.
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 the Company'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 \$150,000 MEDAAF loan to support Altimmune, Inc.'s expansion in Montgomery County.

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

This is a correct copy of Council action.


Megan Davey Limarzi, Esq.
Clerk of the Council