

Resolution No.: 16-335
Introduced: October 2, 2007
Adopted: October 9, 2007

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council at the request of the County Executive

SUBJECT: \$100,000 Maryland Economic Development Assistance Authority and Fund Loan to assist Xceleron Inc.'s Relocation in Montgomery County

Background

1. The County Executive endorses a conditional loan of \$100,000 to Xceleron Inc. ("Xceleron") from the State of Maryland under the Maryland Economic Development Assistance Authority And Fund (MEDAAF), which is authorized by Sections 5-1401 through 5-1412 of Article 83A, Annotated Code of Maryland.
2. MEDAAF provides conditional loans to businesses engaged in eligible industries locating or expanding in a "priority funding area" in the State of Maryland. Proceeds of the loan may be used by the borrower to cover leasehold improvements and/or relocation expenses associated with personnel and/or the physical relocation of the borrower's headquarters operation.
3. Xceleron (the U.S. subsidiary of a U.K. company) plans to relocate its U.S. headquarters (currently located in Gaithersburg, Maryland) to Germantown, Maryland. The project plans call for Xceleron to lease space at a site currently under construction at the Seneca Meadows industrial site in Germantown, Maryland (the "Facility") for use as offices, workstations and lab modules. Xceleron will lease approximately 9,000 square feet of space in 2007 and then add 6,500 square feet of space by the end of 2010. Expenditures for tenant improvements, lease securitization and purchase of new equipment are estimated to be at least \$7,000,000 and may reach \$12,000,000 by 2012. Xceleron currently has two employees in the County and plans to hire at least 100 new, full-time employees to be located at the Facility by the end of 2012. Xceleron has also committed to retain at least 100 employees at the Facility through the end of 2014.
4. The County's Department of Finance has approved and the County has disbursed a conditional grant of \$100,000 from the County's Economic Development Fund (EDF) to assist Xceleron's relocation.
5. The proceeds of the State's conditional loan will be used to reimburse Xceleron for eligible project costs of acquisition, installation, and relocation of furniture, fixtures, machinery, equipment, and leasehold improvements associated with relocation of the headquarters operation.

6. Section 5-1405, Article 83A, Annotated Code of Maryland, provides that Montgomery County must endorse the granting of a MEDAAF loan for the project.
7. The County has determined that it is in the best interest of the citizens of the County that the County should endorse the granting of the MEDAAF loan for the project.
8. The County Executive requests endorsement of the MEDAAF loan by the County Council.

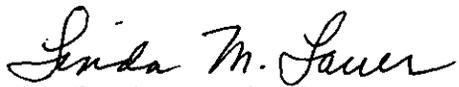
Action

The County Council for Montgomery County, Maryland, approves the following resolution:

The County Council fully endorses the State of Maryland's \$100,000 MEDAAF loan for the purpose of assisting Xceleron with its costs associated with relocation of its U.S. headquarters operations to Germantown, Maryland.

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

This is a correct copy of Council action:



Linda M. Lauer
Linda M. Lauer, Clerk of the Council

APPROVED:



Isiah Leggett
Isiah Leggett, County Executive