

MEDA

Maryland Economic
Development Association

Economic Development
Transforms lives.



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IGNITE City/Town Economic Development








Richard Griffin, CEcD, AICP

Director of Economic Development
The City of Frederick, Maryland USA



FREDERICK
ECONOMIC DEVELOPMENT



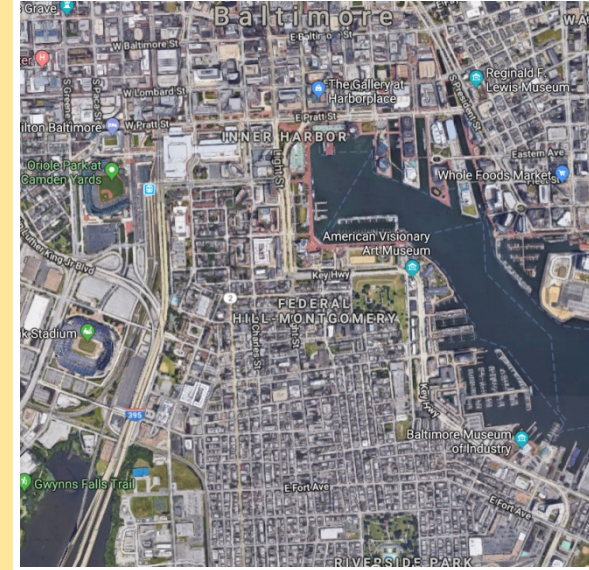
RANK	CITY	POPULATION
1	 Baltimore	585,708 (2020)
2	 Frederick	78,171 (2020)
3	 Gaithersburg	69,657 (2020)
4	 Rockville	67,117 (2020)
5	 Bowie	58,682 (2018)

Urban Maryland



RURAL

Counties



URBAN

Cities, Towns



Suburban Rise & Urban Decline



Unique Urban Issues



Disaster Strikes



Path to Recovery & Resilience



Urban Revitalization stimulates private investment in Blighted and Underperforming areas

Blighted conditions
Inadequate infrastructure, dilapidated buildings, environmental contamination, etc.



Public investment
Improve streets, utilities, transit lines, parks, provide technical or financial assistance

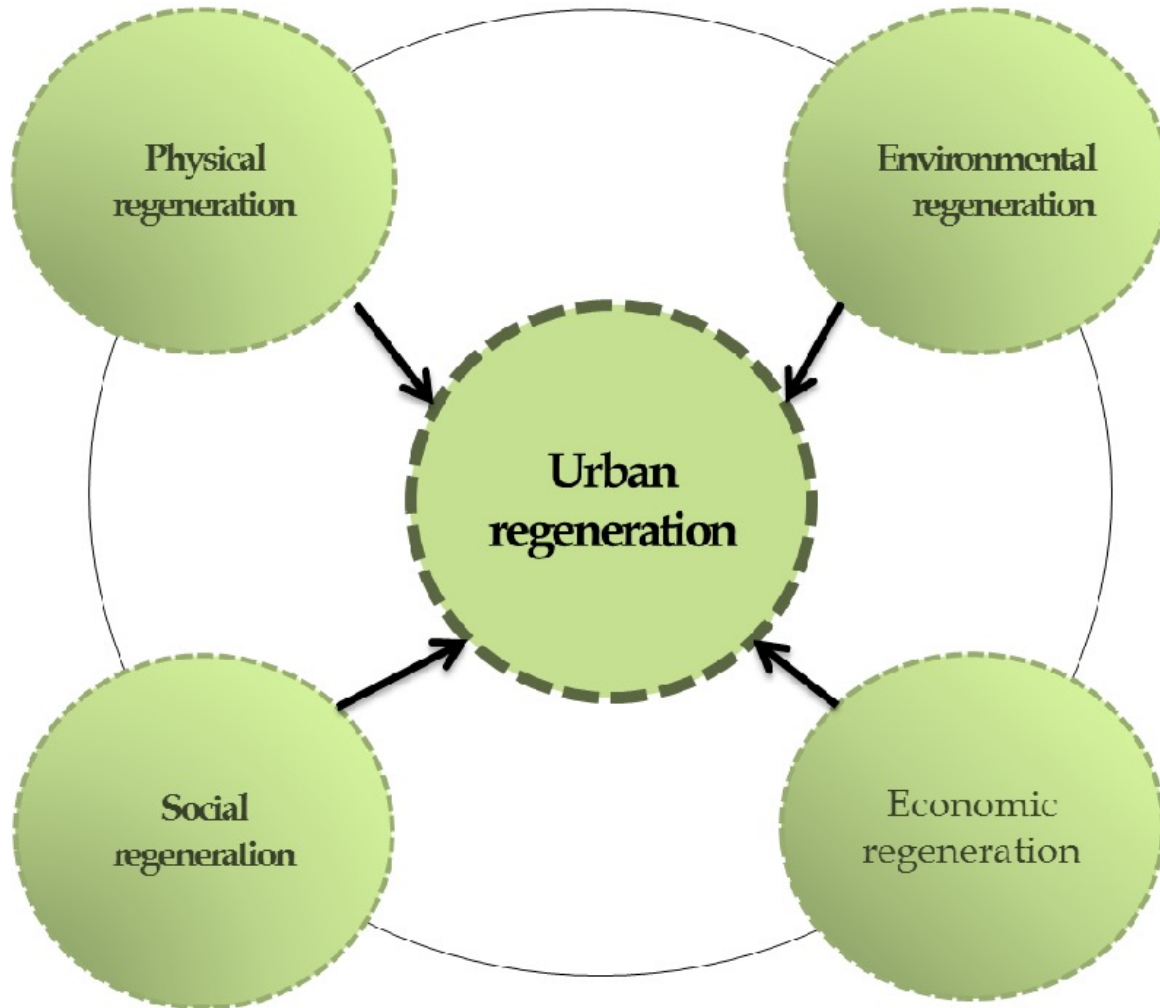
Improved conditions
Less costly to develop, stronger economy, better amenities, enhanced appeal

Private investment
New buildings and businesses, renovation of existing buildings

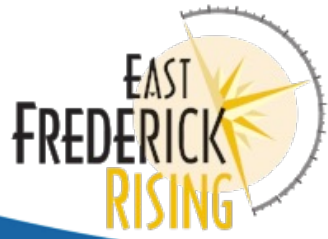
Cycle of investment



Balanced Approach



Local Partners



Local Revitalization Programs

- **Financial Assistance for Property Rehabilitation and New Jobs**
 - **Property Rehabilitation Tax Credits**
 - **Tax Increment Financing**
 - **Payment in Lieu of Taxes**
 - **Special Tax Districts**
 - **Façade, Interior, and Life-Safety Grants**
 - **Brownfields Tax Credits**
- **Small Business Grants & Technical Assistance**
- **Leverage City Owned Property**
- **Workforce and Affordable Housing Program**
- **Capital Infrastructure Development**



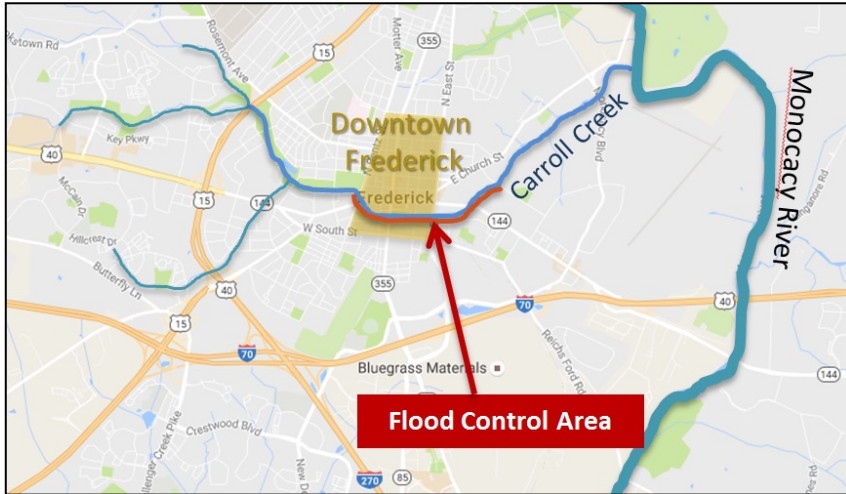
State & Federal Assistance



- Technical Assistance Programs
 - Main Street Program
 - Arts and Entertainment Districts
- Tax Credits
 - Opportunity Zone, Enterprise, an HUB Zones
- Loans and Grants
 - CDBG
 - Neighborhood Business Works
 - Community Legacy
 - Strategic Demolition & Smart Growth Impact
- Transportation & Transit Grants

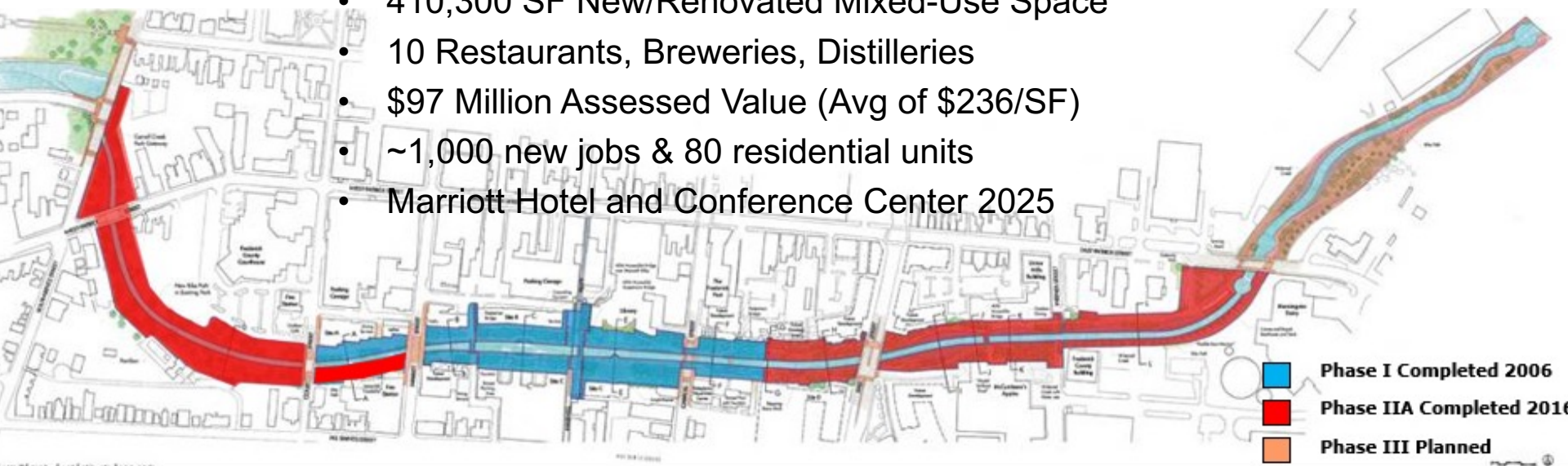


Think Big...



Carroll Creek Park & Flood Control

- 410,300 SF New/Renovated Mixed-Use Space
- 10 Restaurants, Breweries, Distilleries
- \$97 Million Assessed Value (Avg of \$236/SF)
- ~1,000 new jobs & 80 residential units
- Marriott Hotel and Conference Center 2025



Urban infill



Former City Owned Parking Lot
Sold thru RFP to Developer
Main Street Development – Brad Tavel

56,000 SF on three floors
14 Commercial Condo Units
Ground floor parking
\$7.2 million assessed value

Adaptive Reuse



52,500 SF | Assessed Value \$6.5 million



Carroll Creek

Software firm to lease most of
Union Mills building, retail on the
creek



YAKABOD

Story Comments (2) Insp. Previous Next



Multi-Modal Transportation Supports Workforce Development



Retail and Hospitality



**GET IT
DOWN TOWN**
SHOP FREDERICK



Arts & Entertainment



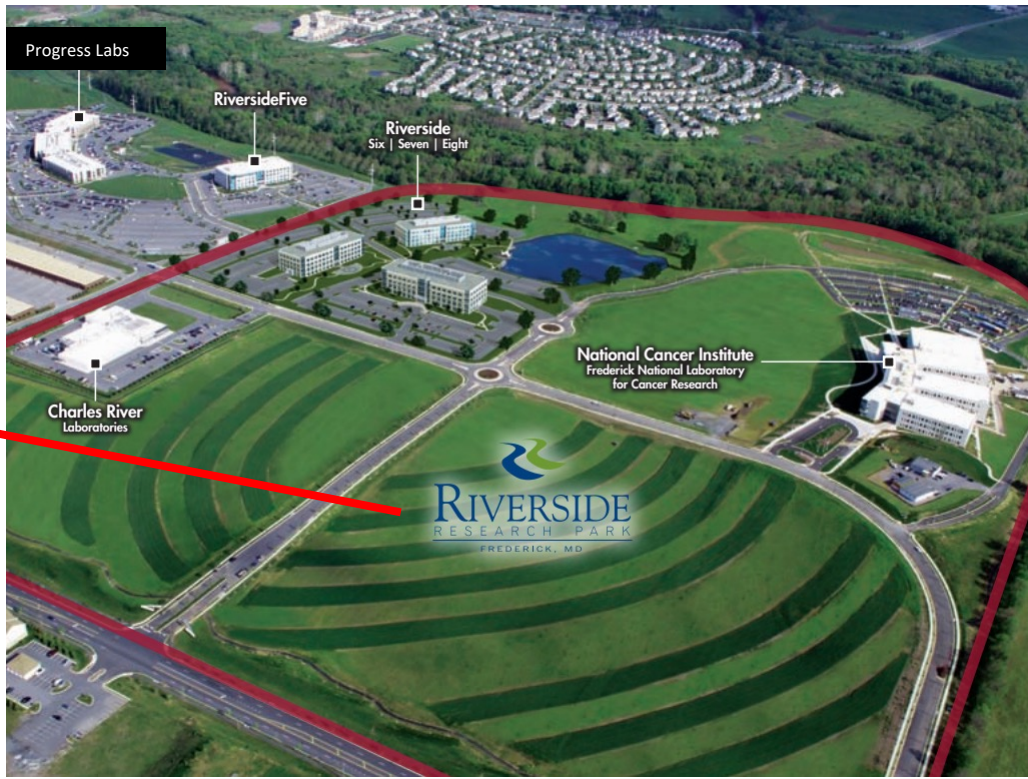
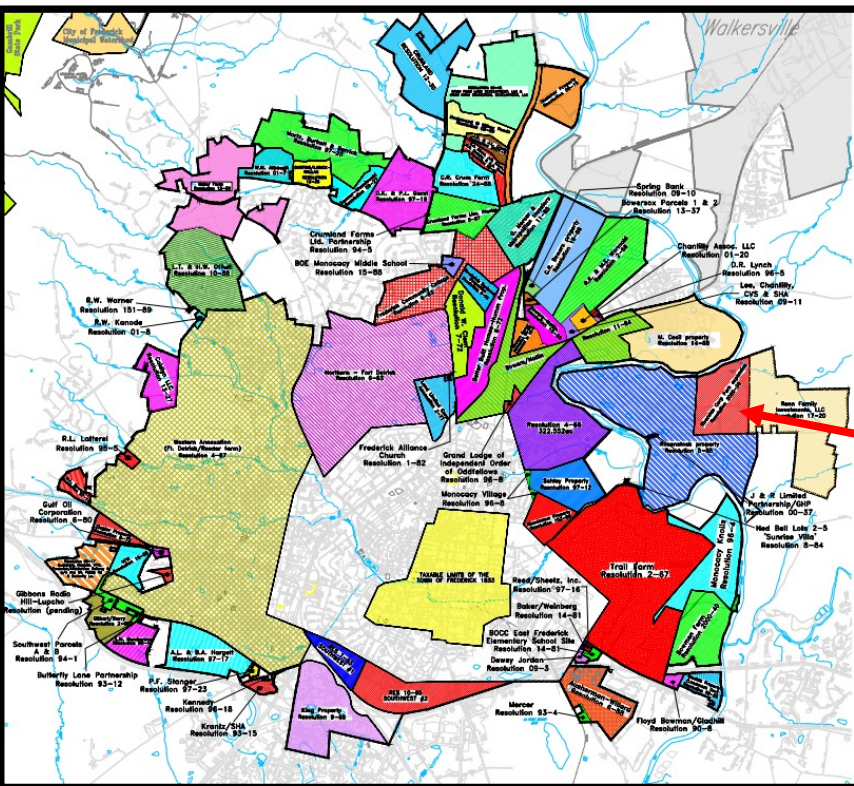
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Aging Corridor Revitalization



Annexation as ED Tool



City & Town Economic Development is Big Business



- Creates Community Pride
- Attracts Creative Workforce
- Attracts Private Investment
- Attracts Businesses
- Attracts High Quality Jobs
- Attracts Entrepreneurs
- Attracts Visitors & Spending
- Attracts Retail & Service
- Increases Foot Traffic
- Increases Public Safety
- Increases Tax Base

- **4th Best City In US to Live**
livability.com
- **Cooldest Towns to Visit in 2021**
Matador Network
- **Best Run Cities in the U.S.**
Stacker
- **Top 100 Best Places to Live**
Livability.com
- **Top Cities for Recent Grads**
GoodCall.com
- **Top American Downtowns**
Livability.com
- **Best Cities in the World for Craft Beer**
Matador Network
- **Most Vibrant Art Cities in America**
National Center for Arts Research
- **Top Areas for Growth Potential**
Business Facilities

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A Primer for Economic Development in Maryland

June 22, 2022

Ignite Presentation:

**Economic Development from
the County Perspective**

Three Primary Types of County-Based Economic Development Organizations



Public Economic Development Organizations

- ▶ Independent Organization
- ▶ Local Government Department
- ▶ Part of a Local Government Department
- ▶ Part of the Local Government Manager's Office



Public Economic Development Organizations encourage economic development through:

- ▶ Infrastructure improvements
- ▶ Zoning and regulatory powers and special permitting
- ▶ Special Improvement Districts
- ▶ Tax Increment Financing agreements (TIF's)
- ▶ Business incentives - both tax and non-tax forms
- ▶ Business marketing, retention & expansion
- ▶ Entrepreneurial/minority business assistance



Public Economic Development Organizations

Characteristics of Innovative Public Sector Organizations

- ▶ **Community-owned/responsive**
- ▶ **Mission-Driven**
- ▶ **Anticipates Needs**
- ▶ **Serves as a Change Agent**
- ▶ **Results and Market-Oriented**
- ▶ **Enterprising & Customer-Driven**



Mission
Driven
Strategy

Public Economic Development Organizations Disadvantages

- ▶ Duplication of work between county departments
- ▶ Staff may make assumptions of other staff/departments responsibilities
- ▶ Ability to build consensus which leads to action (leadership is key here)
- ▶ Duplication of mission and/or efforts between regional and state EDO's



Public-private organizations share long-term goals related to the social, political, and business environment in a community.

Public-private organizations are usually formed as a result of cost savings and collaboration.



Public-Private Economic Development Organizations Advantages

- ▶ Ability to invest in nonprofit and profit ventures as needed
- ▶ Less political influence is likely to occur
- ▶ Greater risk tolerance; directors/board members do not run for election
- ▶ Able to use resources/powers without public limitations (red tape, citizen review, civil service restrictions)
- ▶ Private sector has three things the government needs: resources, technical knowledge, and public support
- ▶ Working together builds upon an understanding of different points of view and draws on a broader range of expertise



Successful Public-Private Economic Development Organization Have:

- ▶ Clearly defined missions addressing both the private and public sector
- ▶ Consensus regarding the mission & how to implement it
- ▶ Internal autonomy over the organization
- ▶ Adequate funding to achieve goals
- ▶ The commitment of both the public and private sector
- ▶ Established performance measures to justify continued support and funding



Public-Private Economic Development Organizations Disadvantages

- ▶ Not under the same degree of public control, limiting its accountability
- ▶ Limited accountability may cause a public-private EDO to forfeit a portion of their influence
- ▶ Public often will still hold public entities responsible
- ▶ A clear legal and regulatory framework is crucial to achieving sustainable solutions



PRIVATE ECONOMIC DEVELOPMENT ORGANIZATIONS

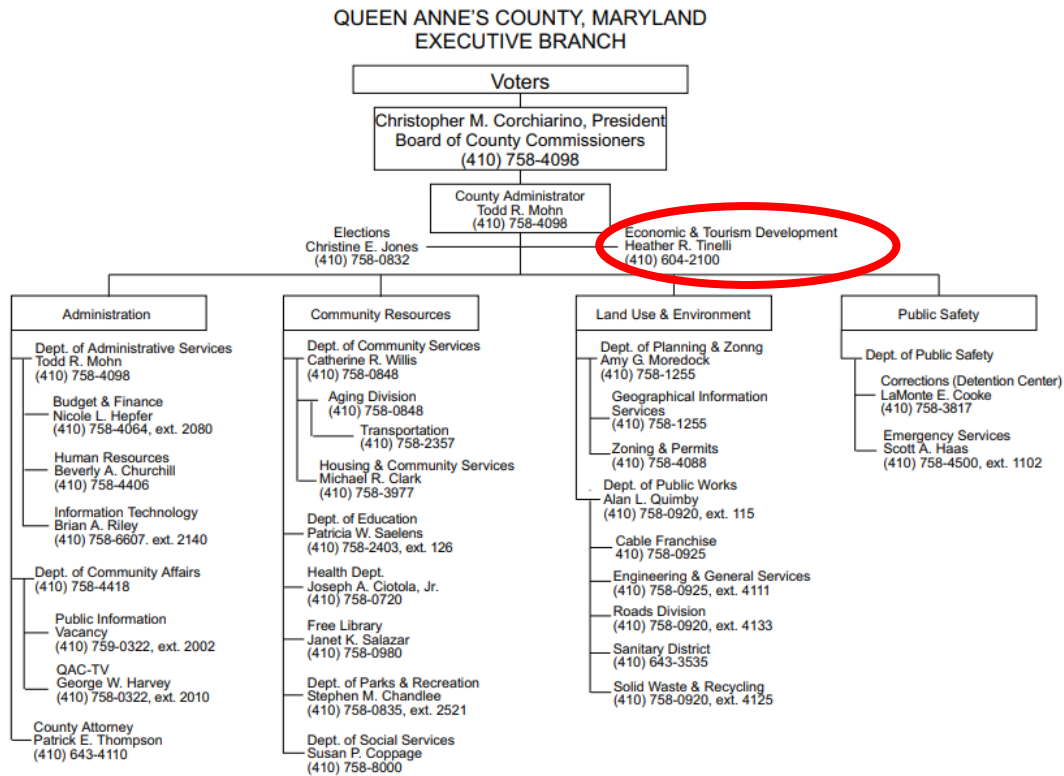
- ▶ **Nonprofit corporations with an express mandate of promoting economic growth with no public control of governance and no formal links to government.**
- ▶ **Emphasize business attraction, retention, and expansion as their primary economic development mission.**
- ▶ **Most funding comes from membership dues or government contracts.**
- ▶ **Think Chambers of Commerce or Community Development Corporations.**

Public Economic Development Example



Queen Anne's County Economic & Tourism Development

Queen Anne's County Org Chart



Queen Anne's County Economic & Tourism Development



- ▶ **One of the Departments within County Government**
- ▶ **Reports to County Administrator & Elected Board of Five County Commissioners**
- ▶ **Partners with Community Leaders, appointed by the County Commissioners through the Economic & Tourism Development Commission, Travel & Tourism Advisory Committee, and EDIF Commission.**

Queen Anne's County Economic & Tourism Development



Queen Anne's County Economic & Tourism Development

VISION:

For Our County: An economically vibrant, welcoming and diverse county celebrated for our outstanding quality of life; exceptional recreation; rewarding employment opportunities; talented workforce; thriving communities; abundant natural resources; and incomparable location and access.

For Our Department: A valued partner and respected resource for employers, entrepreneurs, business owners, stakeholders, and visitors.

We inspire Queen Anne's County residents, visitors, businesses and employees to experience the beauty, culture and amenities of our Eastern Shore lifestyle.

Queen Anne's County Economic & Tourism Development

MISSION:

The Department of Economic & Tourism Development elevates Queen Anne's County as an economically vibrant, welcoming and diverse place for business and recreation by: Delivering exceptional customer services and timely, relevant resources; proactively cultivating business attraction, retention and expansion; developing and strengthening destination amenities; promoting visitor opportunities and experiences; forging intern and apprentice partnerships; and skillfully managing County resources to fuel economic growth.

A valued resource, connector and catalyst, the Department strengthens Queen Anne's economic and community vitality, showcases the county's culture and character; and supports sustainable growth opportunities for residents, businesses, and visitors.

Strategic Partners:

- ▶ **Maryland Department of Commerce**
- ▶ **Maryland Economic Development Corporation**
- ▶ **Small Business Development Center/SCORE**
- ▶ **MD Technology Development Corporation**
- ▶ **Queen Anne's County Chamber of Commerce**
- ▶ **Chesapeake Community College**
- ▶ **Towns/Municipalities**
- ▶ **Maryland Economic Development Association**
- ▶ **Upper Shore Workforce Investment Board**
- ▶ **Upper Shore Regional Council**



“ Being located on Kent Island gives us the best of both worlds within Maryland. ”

- PAUL REED SMITH
PRS Guitars, Sevensville

PRS Guitars is one of the world's premier guitar and amplifier manufacturers.

Where Shore Ventures Begin

Queen Anne's County MARYLAND



STRAWBERRIES

ZODIAC



Experience Queen Anne's County, MD

- Prime location with close proximity to Mid-Atlantic markets
- Tap into a competitive, highly-skilled & diversified workforce
- Spend more time living the "Shore" lifestyle

WHY HERE?

LEARN MORE AT CHOOSEQUEENANNES.COM | 410-604-2100

For a listing of economic development organizations in Maryland, visit:

<https://www.medamd.com/about-meda/economic-development-organizations-in-maryland/>

> Thank you

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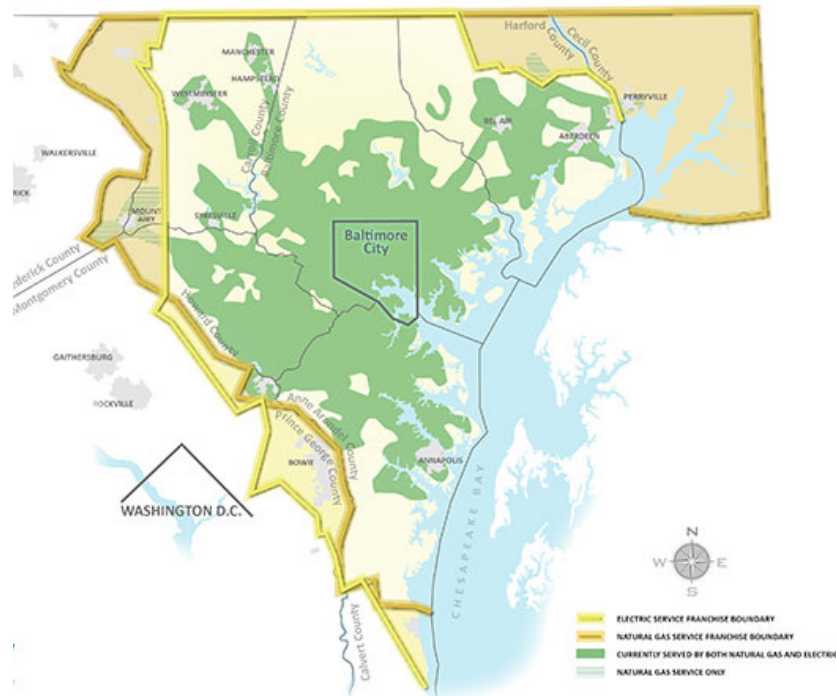
June 22, 2022

The Role of the Utility in Economic Development

Economic Development | Randy Baynes

BGE: The Leading Gas and Electric Provider in Maryland

- **Founded 1816** - Nation's 1st gas utility and one of first electric utilities
- **3,200 Employees**
- **Customers Served:**
 - Electric: 1.2 million
 - Gas: 650,000
- **Service area of:**
- 2,300 square miles in Central MD



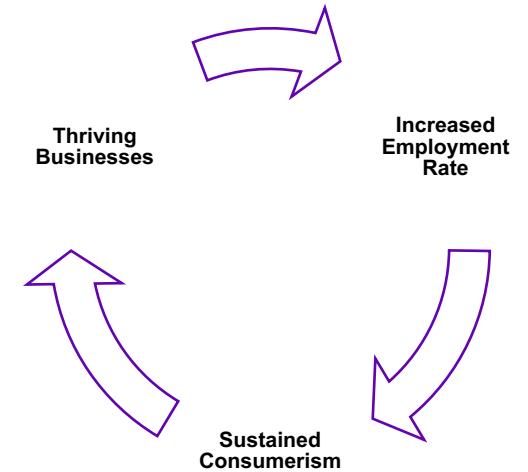
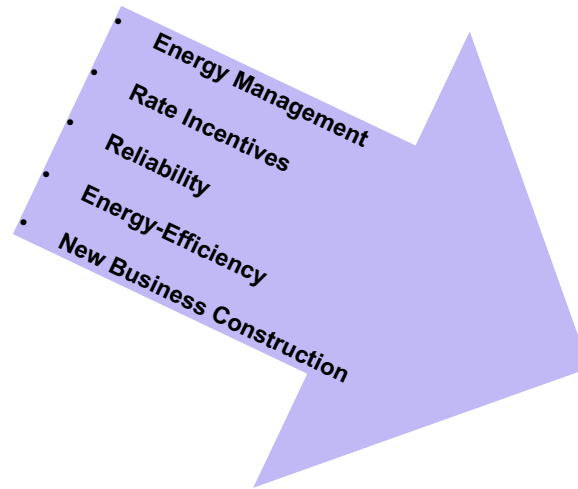
BGE: History of Safety, Reliability and Innovation

- **2016 marked 200 years** of excellent service, growth and innovation.
 - BGE supported Maryland's growth into a national economic and educational leader.
 - We continue to invest and innovate to meet challenges of the next 200 years
- **BGE is subsidiary of Exelon, the nation's leading competitive energy provider**
 - BGE has access to Exelon's enterprise-wide expertise and resources
 - Share best practices with sister companies PECO, ComEd and PHI, leading to record performance in reliability, customer satisfaction and more



Why BGE Supports Economic Development

- BGE committed to powering a cleaner and brighter future
- Strong business environment is good for all residents
- BGE invested in shared mission of Commerce, Local ED partners

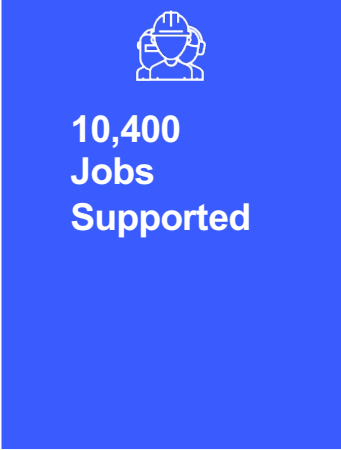
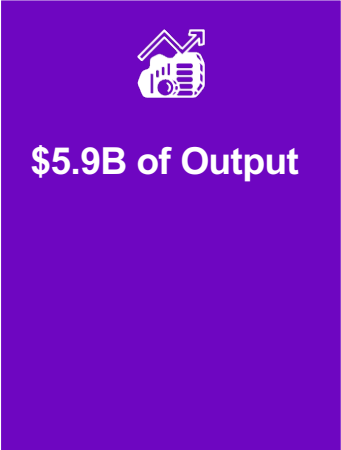


How BGE Supports Economic Development



BGE Economic Impact from Operations 2021

Annual Economic
Impact of BGE
Operations in MD



Smart Energy for Economic Development (SEED)

- SEED provides 75% discount on upfront service extension costs and 25% discount on on-going gas/electric bills, for qualifying businesses that add load, create jobs.
- **To Date, BGE's SEED program has made the following impact:**
 - Assisted 145+ new and expanding businesses
 - Supported over 13,000 jobs
 - Provided >\$8.5M in Construction and Delivery Discounts
 - Provided >\$900K in Distribution Discounts



Energy Efficiency Programs

- **Have Provided:**
- **Over \$300M in Bill Credits**
- **\$570M+ in rebates**
- **Over 60,000 businesses**
- **Supports Over 1900 MD Contractors**



The logo for the BGE SMARTENERGY savers PROGRAM. The word "BGE" is in grey, "SMARTENERGY" is in blue and orange, "savers" is in blue, and "PROGRAM" is in grey.

Community Partner & Volunteerism

- **We are an active part of our community:**
- **~\$5 million** to non-profits
- **25,000** Employee Volunteer Hours
- 200 non-profits served
- BGE Executives/Employees serve on >100 non-profit boards



Workforce Development

- **Smart Energy Workforce Development program**, a joint effort with local workforce development agencies and vocational schools to increase awareness of job opportunities and hiring requirements at BGE
- BGE has helped more than 30 gov't and nonprofit workforce organizations prepare individuals for the Construction and Skilled Trade (CAST) test



Supplier Diversity

- **BGE has a long-standing commitment** to diversity and inclusion and aspires to be a leader in supplier diversity.
- **BGE's Focus Forward program** educates diverse suppliers how to compete for contracts and grow their business.
- *In 2019*, BGE spent more than **\$437 million** with diversity certified suppliers.



BGE Energizing Small Business Grants

- BGE pledged \$15 million to assist MD small businesses with COVID-19 relief and recovery. Eligible businesses located in BGE's service area can apply for a \$20,000 grant as part of BGE's comprehensive Customer Relief and Energy Infrastructure Investment Plan, designed to help the state's economic recovery from the pandemic.
- The program is designed to assist hundreds of small businesses in the community, especially historically underrepresented minority and women-owned businesses.
- **In 2022** Grants are being distributed in 2 rounds. Round 1 opened February 14th and closed on March 25th Round 2 opens July 18th and closes August 26th.
- BGE engaged Hello Alice and GEN Global to administer the program and has partnered with ~400 organizations to promote the program.



BGE Energizing Small Business Grants

• Top 5 Industries



26% are in
Food and
Beverage



14% are in
Healthcare
and Wellness



12% are in
Professional
Business
Services



10% are in
Beauty and
Self-Care



8% are in Other
industries

BGE **ENERGIZING**
small business
GRANTS

**56% woman-owned
businesses, 66% owned
by people of color**

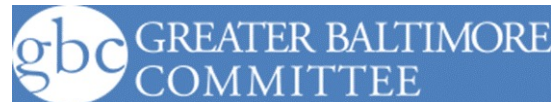
Economic Development and Customer Satisfaction

- Customers favorably view BGE as a Community Partner when helping to attract and retain jobs.



Thought Leadership

- BGE is a member of or actively involved in more than a dozen business advocacy groups

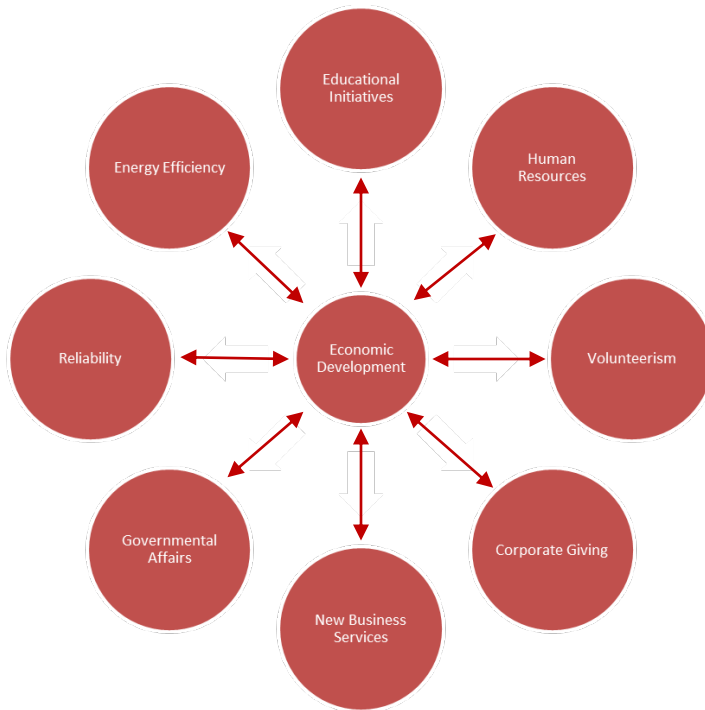


Peer Utilities and Best Practices

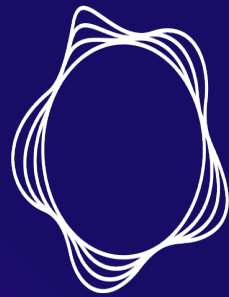
- Most utilities across the U.S. have a business or economic development team that's responsible for cultivating opportunities to bring more business to their service areas.
- BGE and Exelon peers ComEd, PECO and Pepco learning from each other and industry leaders to position economic development as best in class.



Big Picture Perspective



- BGE's economic footprint in Maryland consists of many components
- Benefits of our programs extend beyond the immediate customer / recipient
- As we contribute to Maryland's economic success, we help to secure our own
- Economic Development is a customer satisfaction driver



bgeSM

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Maryland State Small Business Credit Initiative (SSBCI) Program

SSBCI – What is it?

- The American Rescue Plan Act of 2021 (ARPA) reauthorized and expanded the Small Business Jobs Act of 2010 (SBJA), which established the original State Small Business Credit Initiative(SSBCI) program. The new version of the program will also support jurisdictions in promoting American entrepreneurship and providing access to capital to businesses across the country and in underserved communities.
- \$10 billion for loans and investments
- Focus on underserved areas and disadvantaged individuals (**See Exhibit A – Eligible Candidates for SEDI funding**)

Size and Purpose of the Maryland SSBCI Plan

- \$198,000,000 allocated to the state of Maryland from the U.S. Treasury.
- Carveout for very small business
- Funding delivered in tranches and will conclude in the 2029/2030 timeframe

Designed to support small business:

- Business seeking loans for expansion, equipment acquisition and improvements, working capital, contract financing, business owner occupied real estate acquisition.
- Business seeking equity investments
- Community Development Financing Institutions(CDFI) seeking capital to relend to small business (loans < \$250,000)

Business Eligibility:

- Businesses with less than 500 employees.
- All businesses except those that are exempted by U.S. Treasury and the State of Maryland. **See Exhibit B – Businesses not permitted to receive SSBCI funds.**
- Matching funding required: minimum 1:1 private capital match to SSBCI funds. Public funds not considered as matching funds. Foundation funds are eligible as a private capital match.

Lender Eligibility:

- Lenders must have at least 20% at risk. **See Exhibit C – Private Financing.**
- CDFIs

Terms:

- Loans subject to credit underwriting. Amounts: \$25,000 up to \$5,000,000 based on program requirements.
- Investments subject to due diligence. Amounts: \$25,000 to \$2,000,000 based on program requirements.

SSBCI Technical Assistance

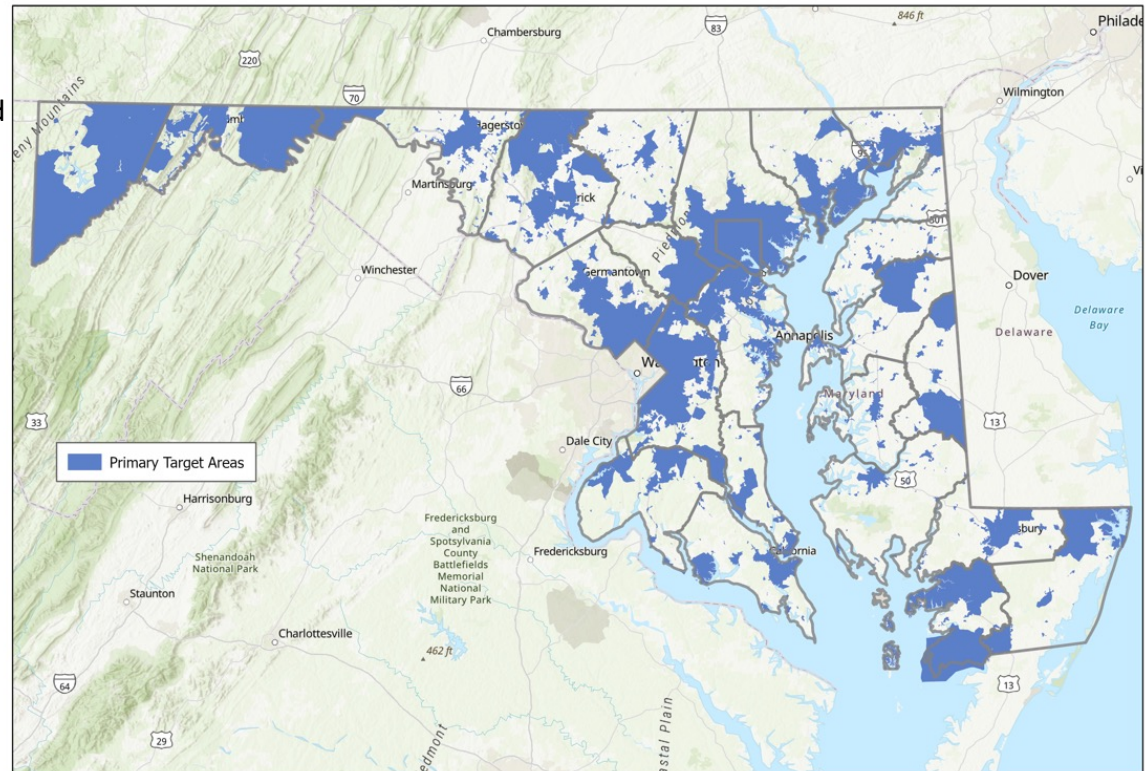
- \$3,300,281 Technical Assistance funding to assist small business in gaining access to capital with the need for accounting, legal and financial advisory services.
- Technical Assistance eligible to those very small businesses (< 10 employees) and socially economically disadvantaged individual led businesses applying for SSBCI funds or other similar small financing business programs offered at the federal, state and local level.
- Application due September 1st, 2022. Likely funding available in the fall of 2022.
- Requirement to fund SEDI and VSB meeting the 1.68 economic benefit ratio (SEDI Allocation / VSB allocation). The economic benefit ratio is a jurisdiction's SEDI capital allocation divided by their VSB capital allocation.

Maryland's SSBCI Underserved Target Areas

Small business:

- Very small business ($x \leq 9$ employees)
- Socially and Economically Disadvantaged Individuals
- CDFI Investment Areas
- Priority Funding Areas
- Opportunity Zones

Note: Any small business is able to apply for funding.



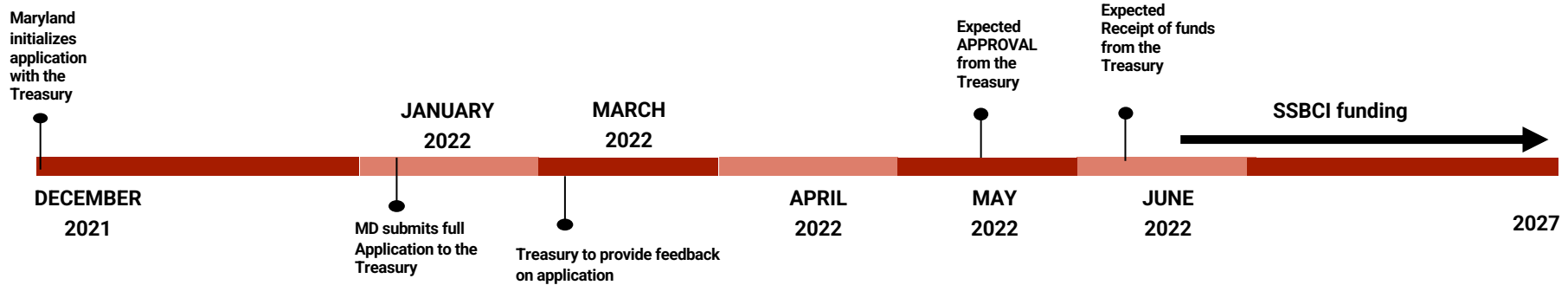
Maryland's SSBCI Deployment plan

- Deploying funds through 3 organizations and 8 existing programs:
 - Maryland Department of Housing and Community Development (DHCD) - Implementing Agency
 - Neighborhood Business Works (NBW) - Loans
 - NBW Venture Debt Program – Venture debt loans
 - Department of Commerce (Commerce) - Administrating Entity
 - Maryland Small Business Development Financing Authority (MSBDFA) – EPIP Loans
 - Maryland Small Business Development Financing Authority (MSBDFA) – EPIP Equity
 - Technology Development Corporation (TEDCO) - Administrating Entity
 - SEED Funds Equity
 - Social Impact Funds
 - Venture Capital Limited Partnership
 - Enterprise Venture

<u>Agency</u>	<u>Allocation</u>
DHCD	\$103,404,958
Commerce	\$45,000,000
<u>TEDCO</u>	<u>\$50,000,000</u>
TOTAL:	\$198,404,958

SSBCI – Timeline

Timeline reflects projected dates



1st state to submit

DHCD - Loan Participation Program

Designed to assist businesses:

- Working capital, growth and expansion
- Owner occupied real estate acquisition/rehabilitation

Eligibility:

- Less than 500 employees
- Minimum 1:1 private capital match

Terms:

- Senior or Junior Debt
- Loan Size: \$500,000 to \$5,000,000
- Up to 30% for SEDI/VSF business; Up to 20% for non SEDI/VSF business

Example 1: Business needs a \$1,000,000 working capital loan to fund expansion.

Business secures lender to provide a loan of \$500,000, and Program provides a \$500,000 loan on like terms or in a subordinate position.

Example 2: Business needs a \$2,500,000 loan to acquire and renovate a building for its operations.

Business secures loan from a lender of \$1,500,000, and Program provides a \$1,000,000 loan in junior financing to total a \$2,500,000 in funding.

***** All loans subject to repayment *****

***** Document SSBCI funding is "cause and result" of private financing *****

DHCD Venture Debt and Convertible

Designed to assist businesses:

- Businesses with strategically high economic impact and job growth

Eligibility:

- Less than 500 employees
- Minimum 1:1 private capital match

Terms:

- Interest bearing, amortized/deferred
- Same cash flow rights with private capital
- Loan Size: \$500,000 to \$5,000,000
- Aggregate loan < \$20,000,000
- Convertible notes

Example 1: Business needs a \$1,000,000 working capital loan to fund expansion along side a \$3,000,000 equity raise.

Business raises \$3,000,000 from equity investors and Program provides a \$1,000,000 loan.

Example 2: Business needs \$5,000,000 of debt to finance expansion of a new product line.

Business secures funding from private venture debt lender of \$3,000,000 with Program providing \$2,000,000 on like terms with private venture debt for a total of \$5,000,000.

Example 3: Business needs \$2,000,000

Business raises \$1,000,000 of equity from investors with Program providing \$1,000,000 in venture debt or convertible note.

*** All loans subject to repayment ***

*** Document SSBCI funding is "cause and result" of private financing ***

DHCD Community Development Financial Institution (CDFI) - Loan to Lender Program

Designed for CDFIs:

- Loan to CDFI to relend to businesses
- Focus on Socially and Economically Disadvantaged Individual (SEDI) led businesses and CDFI Investment Areas
- CDFI to relend to small business (target loan < \$250,000)

Eligibility:

- CDFIs *only*
- Minimum 1:1 private capital match
- Originating lender must have 20% at risk
- Target: SEDI businesses, and very small business (<10 employees)

Terms:

- Loan to lender size based on capacity (\$2,000,000 - \$15,000,000)
- Applications underwritten on a “come one come all” basis
- Risk of loss is on a loan-by-loan basis NOT a pool.

Example 1: CDFI needs capital to relend to SEDI businesses

CDFI raises \$4,000,000 from a private lender, SSBCI provides \$3,000,000, and CDFI contributes \$3,000,000 for a total of \$10,000,000. CDFI closes loans and retains 100% of the loans.

*** All loans subject to repayment ****

*** Document SSBCI funding is “cause and result” of private financing ***

Technology Economic Development Corporation (TEDCO) - Venture Capital Limited Partnership Program

Designed to fund Venture Capital (VC) funds in Maryland

- Early-stage VC funds focused on investing in MD

Eligibility/Criteria:

- Investment thesis and ROI
- Fund Management focus/sector experience
- Commitment to Maryland

Terms:

- TEDCO Standard Limited Partnership terms
- Fees to meet SSBCI guidelines

Example 1: VC Fund raising \$20,000,000 for cyber investments.

VC Fund raises \$18,000,000 from investors and Program invests \$2,000,000.

Example 2: VC raising \$10,000,000 for investments in Maryland based aquaculture firms

VC Fund secures \$5,000,000 commitment from investors and Program invests \$1,000,000.

*** All investments subject to repayment ***

*** Document SSBCI funding is "cause and result" of private financing ***

TEDCO Seed Investment Program

Designed to assist businesses:

- Seed stage investing

Eligibility:

- Less than 15-30 employees based on funding source
- Minimum 1:1 private capital match
- Equity raised to date between \$2M-\$5M, based on funding source
- Four types of investment: cyber tech/info tech, Life sciences, general tech commercialization and gap funding

Terms:

- Convertible note or equity
- Investment Size: \$200,000 to \$750,000

Example 1: Startup cyber security business is raising \$1,000,000 to build team and prepare for a Series A funding.

Business raises \$500,000 from existing investors and Program invests \$500,000.

Example 2: Life Science company needs \$500,000 of equity to complete diagnostic testing of medical device.

Business secures \$250,000 funding from investors and Program provides \$250,000 convertible note.

***** All investments subject to repayment *****

***** Document SSBCI funding is "cause and result" of private financing *****

TEDCO Social Impact Program

Designed to assist businesses:

- Pre-seed technology start-ups

Eligibility:

- 50%+ founders ownership demonstrate economic and social disadvantage
- Minimum 1:1 private capital match
- Less than 251 employees
- Equity raised to date < \$15 million
- Technology based business

Terms:

- Convertible note or equity
- Investment Size: \$200,000 to \$500,000

Example 1: Entrepreneur raising funds to support growth of her online payment platform.

Business raises \$500,000 from existing investors and Program invests \$500,000.

Example 2: Founder raising \$500,000 of equity to complete diagnostic testing of medical device.

Business secures \$250,000 funding from investors and Program provides \$250,000 convertible note.

***** All investments subject to repayment *****

***** Document SSBCI funding is "cause and result" of private financing *****

TEDCO Maryland Venture Program

Designed to assist businesses:

- Pre-seed to Pre-VC funding stage, technology based business

Eligibility:

- Less than 251 employees
- Equity raised to date < \$15 million
- Minimum 1:1 private capital match
- Technology based business

Terms:

- Convertible note or equity
- Investment Size: \$500,000 to \$2,000,000

Example 1: Startup cyber security business is raising \$1,000,000 to build team and prepare for a Series A funding.

Business raises \$500,000 from existing investors and Program invests \$500,000.

Example 2: Infotech company raising \$2,000,000 of equity to expand operations.

Business secures \$1,000,000 of angel funding and Program provides \$1,000,000 for equity.

***** All investments subject to repayment *****

***** Document SSBCI funding is "cause and result" of private financing *****

Department of Commerce - Maryland Small Business Development Financing Authority – Loan Program

Designed to assist:

- Small businesses and businesses owned by Socially & Economically Disadvantaged Individuals
- With term loans, lines of credit, and letters of credit
- For working capital, equipment, real estate, leasehold improvements & refinancing

Eligibility:

- Minimum 1:1 private capital match
- Must have a declination from a lender for total financing need

Terms:

- Loan Size: \$25,000 to \$2,000,000
- Interest Rates: 2% to 6%

Example 1: Company secures contract with to provide goods and services and needs \$500,000 to finance the mobilization of the contract.

Company could receive a loan from Program for up to \$250,000 at an interest rate of 3%.

Example 2: Owner of grocery chain opens a store and needs \$1,500,000 to acquire and renovate store location.

Company could receive a subordinated loan from Program of up to \$750,000 at an interest rate of 4%, that is subordinated to a bank.

***** All loans subject to repayment *****

***** Document SSBCI funding is "cause and result" of private financing *****

Department of Commerce - Maryland Small Business Development Financing Authority – Equity Program

Designed to assist:

- Small businesses and businesses owned by Socially & Economically Disadvantaged Individuals
- For development, working capital, equipment, real estate, leasehold improvements & refinancing

Eligibility:

- Minimum 1:1 private capital match

Terms:

- Investment Size: \$25,000 to \$1,000,000
- Equity via preferred stock, common stock, warrants, partnership interests and other equity-like structures
- Investment return expectations less than traditional investors.

Example 1: Business Founder raising \$2,000,000 to support fast growing consumer tech service company.

Business raises \$1,500,000 in equity from existing investors and \$500,000 in equity from the Program.

Example 2: Business Founder of government services business raising \$2,000,000 to expand and grow operations.

Business raises \$1,750,000 from an Angel Fund and Program co-funds with \$250,000.

***** All investments subject to repayment *****

***** Document SSBCI funding is “cause and result” of private financing *****

SSBCI - Resources / Contact info

US Treasury / SSBCI website

<https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci>

DHCD Expression of Interest for Small businesses and lenders

<https://dhcd.maryland.gov/Business/Pages/SSBCI.aspx>

CDFA/SSBCI Resource Center

<https://www.cdfa.net/rc/SSBCI.html>

Exhibit A – Eligible Candidates for SEDI funding

Treasury will consider SSBCI funds to have been expended for SEDI-owned businesses if the states expend the funds for meeting the needs of SEDI owned businesses. “Meeting the needs of SEDI-owned businesses” means that the SSBCI funds are expended for loans, investments, or other credit or equity support to:

- (1) business enterprises that certify that they are owned and controlled by individuals who have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances, due to their (1) membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;(2) gender; (3) veteran status; (4) limited English proficiency; (5) physical handicap;(6) long-term residence in an environment isolated from the mainstream of American society; (7) membership of a federally or state-recognized Indian Tribe; (8) long-term residence in a rural community; (9) residence in a U.S. territory; (10) residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or (11) membership of another “underserved community” as defined in Executive Order 13985;
- (2) business enterprises that certify that they are owned and controlled by individuals whose residences are in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii);
- (3) business enterprises that certify that they will operate a location in a CDFI Investment Area, as defined in 12 C.F.R. § 1805.201(b)(3)(ii); or
- (4) business enterprises that are located in CDFI Investment Areas, as defined in 12 C.F.R. § 1805.201(b)(3)(ii)

Exhibit B – Businesses not permitted to receive SSBCI funds

- The borrower or investee is not:
- A business engaged in speculative activities that develop profits from fluctuations in price rather than through normal course of trade, such as wildcatting for oil and dealing in commodities futures, unless those activities are incidental to the regular activities of the business and part of a legitimate risk management strategy to guard against price fluctuations related to the regular activities of the business; or
- A business that earns more than half of its annual net revenue from lending activities; unless the business is a non-bank or non-bank holding company Community Development Financial Institutions; or 3
- A business engaged in pyramid sales, where a participant's primary incentive is based on the sales made by an ever-increasing number of participants; or
- A business engaged in activities that are prohibited by federal law or applicable law in the jurisdiction where the business is located or conducted. (Included in these activities is the production, servicing, or distribution of otherwise legal products that are to be used in connection with an illegal activity, such as selling drug paraphernalia or operating a motel that knowingly permits illegal prostitution); or
- A business engaged in gambling enterprises, unless the business earns less than 33% of its annual net revenue from lottery sales.

Exhibit C – Private financing

U.S. Department of the Treasury State Small Business Credit Initiative Capital Program Policy Guidelines November 10, 2021

- **Section VIII, b**

“Private financing” means private financing across all approved state programs and includes all loans or investments from a private source to an eligible borrower or eligible investee, whether occurring at or subsequent to loan or investment closing (subject to certain restrictions to be set forth in the Allocation Agreement regarding permissible types of subsequent private financing), and whether funded or unfunded. It encompasses equity investments, written commitments of future equity investments, term loans, lines of credit, and any new infusions of cash by the small business owner into the borrower.²⁵ For a Tribal government program, private financing may include Tribal enterprise funds acquired in commerce, provided that the funds do not originate with the state, federal, or Tribal government. Private financing does not include financing provided by tax-credit supported vehicles, such as funds capitalized by the sale of state tax credits. ²⁶ A participating state may count SBA-guaranteed loans or other financing that is credit-enhanced by federal, state, or local incentives, if (1) the financing is caused by, or is the result of, an SSBCI-supported transaction, (2) the capital comes directly from a private entity, and (3) the lender or investor has at least some of its own capital at risk.

MEDA

Maryland Economic
Development Association

Economic Development
Transforms lives.





MEDC
MARYLAND
ECONOMIC DEVELOPMENT
COMMISSION

MEDA Primer
June 22, 2022

Overview

- In 2015, the Commission was restructured as the Department of Business & Economic Development was restructured and renamed **Maryland Department of Commerce**
- Provides oversight of the Department
- Advises the Secretary and Governor on economic policies

- Monitors operations of:
 - Maryland Technology Development Corporation (TEDCO)
 - Maryland Economic Development Corporation (MEDCO)
 - Maryland Marketing Partnership (MMP)
- Economic indicators
- Quarterly Meetings



Composition

- Voting Members
 - 25 of which 21 appointed by Governor; 2 appointed by Senate and 2 by the House
- Non-Voting Members
 - Commerce Secretary
 - Labor Secretary
 - Executive Directors of MEDCO and TEDCO
 - 1 Senator
 - 1 Delegate

Co-Chairs



Dr. Margaret Wood, PMP
President/CEO, Wood
Consulting Services



Ed Coleman
Board Member,
Ameren

Ex-Officio Members



Commerce Secretary
R. Michael Gill



Labor Secretary
Tiffany Robinson



Senator Brian Feldman,
District 15
Montgomery County



Delegate Brian Crosby,
District 29B, St. Mary's
County



Tom Sadowski,
Executive Director
MEDCO



Troy LeMaile-Stovall,
CEO
TEDCO

Governor Appointees



Laura Neuman, Entrepreneur
Strategic Plan Subcommittee
Co-Chair



Aris Melissaratos, Vice President
of Corporate Education & Leadership
St. John Properties
Strategic Plan Subcommittee
Co-Chair



Elizabeth Rendón-Sherman
CEO/CFO , LG-TEK
Rankings & Research Subcommittee
Chair

Governor Appointees



Manish Kothari, President & CEO
Sheladia Associates



Annemarie Dickerson
Managing Director, King Cole Farm



Jeanette Glose-Partlow, President
Maryland Chemical Company, Inc.



Kai Hirabayshi, Senior Manager,
Public Policy, Amazon



Robert Wallace, President & CEO
BITHGROUP Technologies



Julie Lenzer, Chief Innovation Officer,
Advanced Regenerative Manufacturing Institute

Governor Appointees



Gary Ruddell, President
TotalBiz Fulfillment



Sue Chambers,
President/CEO
Strouse



Leon Pinkett, III
Executive Director/CEO
Baltimore Realty Arts Corp.



Augie Chiasera, Regional President
M&T Bank



Melissa Noel, CEO
Noel's Fire
Protection, LLC



Saif Rehman, PhD, CEO
NexGen Consulting, Inc.



Shawn Salta
President &
COO
DirectMail.com



Eugene Silverman, PhD,
President, Berkeley Springs
Instruments, LLC

Senate Appointees



Ken Banks,
President, CEO &
Partner,
Banks Contracting
Company, Inc.



Gwen McCall, President,
F&L Construction & Solid Waster, LLC

House Appointees



Mike Miller, President
OGOS Energy, LLC



Arnold Jablon, Esq.,
Formerly with
Venable, LLP



Informal Subcommittees

- **Strategic Plan** – Approved in 2016, Progress Reports in 2017 & 2018 and revisited in 2019
- **Rankings and Research** – Scorecard, online Dashboard, Rankings Report, MD Neighborhood Needs Index, Migration Study
- **Finance Programs** –
Held in 2015 for Strategic Plan input

“The Playbook”



Strategic Goals

1. Achieve Operational Excellence
2. Foster a Competitive Business Environment
3. Advance Innovation and Entrepreneurship
4. Expand Targeted Industry Clusters
5. Create One Maryland and Enhance Community Development
6. Improve Brand and Talent Attraction

Plan Implementation











- Tracking Business Unit Strategies
- Developing Legislative Initiatives
- Rankings/Economic Indicators tracking
- Customer Service
- Commerce Subcabinet
 - Commerce, MDE, MDOT, DHCD, Labor, GOSBA, MDP, AG, SDAT, DNR, MHEC, Smart Growth
 - Workgroups: Job Creators, Customer Service, Small Business, Workforce Development, Regional Resources, & Sustainable Materials Management (SM3)

MARYLAND RANKINGS

February 2022 – May 2022

RECENT UPDATES

*Major updates to Maryland's rankings since the February 2022 Rankings Document

-  **#44** – Unemployment rate rank in March 2022 at 4.6% (Rank 38 in December 2021 at 5.0%)
-  **#46** – 3-month growth in Total Nonfarm Jobs in March 2022 at 0.5% (Rank 21 in December 2021 at 1.1%)
-  **#13** – Labor Force Participation Rate in March 2022 at 65.6% (was 11 in December 2021 at 65.4%)
-  **#38** Population growth 2020 to 2021 (-0.1%) (was #32 2018-19)
-  **#39** Average electricity price per Kilowatt hour (was #36)
-  **#6** Households with a broadband subscription (88.8%) in 2020 (was 7th in 2019)
-  **#3** Bachelor's degree attainment as of 2020 (was # 4 in 2019)
-  **#8** "Best States to Live In" 24/7 Wall St 2021 (income, poverty, life expectancy and education)
-  **2nd Lowest** poverty rate for 2020, with 9.0% of the population living in poverty, compared with 12.8% for the U.S. (was 4th lowest in 2019)
-  **#4** Most Innovative States WalletHub 2022 (4 in 2021)

Business Climate Rankings

Why? Important for tracking perceptions about Maryland from external constituencies.

-  **#3** – Inc. 5000 fastest growing companies as share of total firms (2021)
-  **#9** – Best and Worst States for Business: 24/7 Wall St. (2020 – was #18 in 2019)
-  **#5** – Best Economies: 24/7 Wall St. (2020 – was #8 in 2019)
-  **#38** – Chief Executive Best and Worst States (2021 – was #35 in 2020)
-  **#34** – Forbes Best States for Business (2019 – was #27 in 2018)
-  **#12** – CNBC Top States for Business (2021 – was #31 in 2019)







Workforce and Wages

Why? Indicator of workforce availability and skills, factor in cost of doing business and quality of life

-  **#44** – Unemployment rate rank in March 2022 at 4.6% (Rank 38 in December 2021 at 5.0%)
-  **#13** – Labor Force Participation Rate in March 2022 at 65.6% (was 11 in December 2021 at 65.4%)
-  **#46** – 3-month growth in Total Nonfarm Jobs in March 2022 at 0.5% (Rank 21 in December 2021 at 1.1%)
-  **#48** – Private sector average wage growth (March 21-22 at 1.3%; was #13 March 20 – 21 at 6.2%)
-  **#35** – Private sector job growth (3.1% from March 2021 – 2022; Was #35 March 2020 – 2021)

Taxes and Regulations

Why? Major factor in business and household location decisions

-  **A** for Small Business Friendliness by Thumbtack.com (2020)
-  **#44** State Business Tax Climate: Tax Foundation (2021 – was #43 in 2020)
-  **#40** Entrepreneur-friendly states: Small Business Policy Index (2019)
-  **#14** highest state and local tax collections as a percentage of personal income at 10.8%; above US median of 10.1% in 2019 (was ranked 13 in 2018)
-  **#8** highest state and local taxes per capita at \$6,527; above US average of \$5,392 in 2019 (was #7 in 2018)
-  **#1** lowest share of state and local taxes paid by businesses per Council on State Local Business Taxes (was #2 in 2020)
-  **#5** lowest total state and local business taxes paid per dollar of net government spending that benefits businesses per Council on State Local Business Taxes (was #1 in 2020)

Population

Why? Necessary for vibrant economy; indicator of attractive quality of life

-  Baltimore and Washington **top 5** increase in young college graduates (Pew Stateline)
-  Baltimore is **top 3** Wall Street Journal cities for recent college grads WSJ 2019
-  Baltimore **#7** among large metros for share of creative class workers in 2017
-  **#2** Millionaire households for 2019 – 9.7% of households have \$1 million or more in investable or liquid assets
-  **#38** Population growth 2020 to 2021 (-0.1%) (was #32 2018-19)
-  **#42** Rate of net domestic out-migration 2019 (was #39 in 2019)

About Commerce

- + Boards and Commissions
- + Employee Directory
- + Contracts and Procurement
- + Contact Us
- + Request a Speaker
- + Work at Commerce

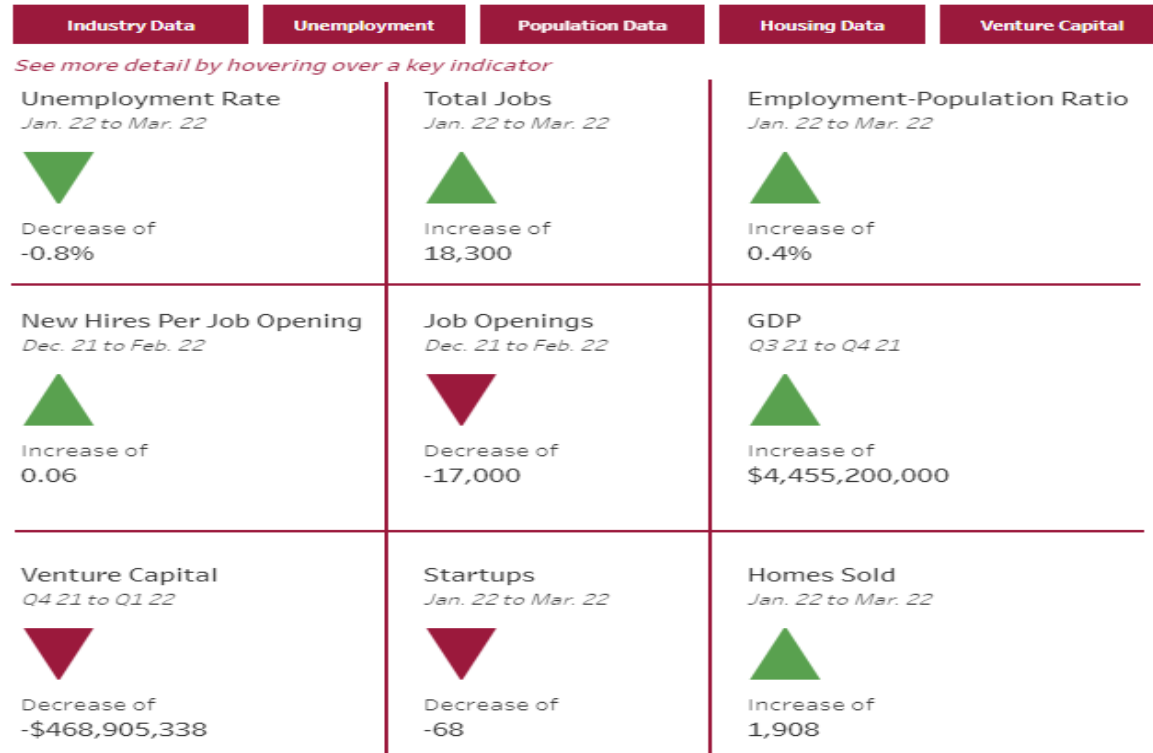
Related Items

- › Maryland Economic Development Commission

Dashboard of Key Economic Indicators Tracked by MEDC

This dashboard highlights key indicators for the Maryland Economic Development Commission (MEDC). MEDC's mission is to establish economic development policy in the State and oversee the Maryland Department of Commerce's efforts to attract and retain businesses and jobs. This dashboard presents high frequency data useful to understand the current state of Maryland's economy.

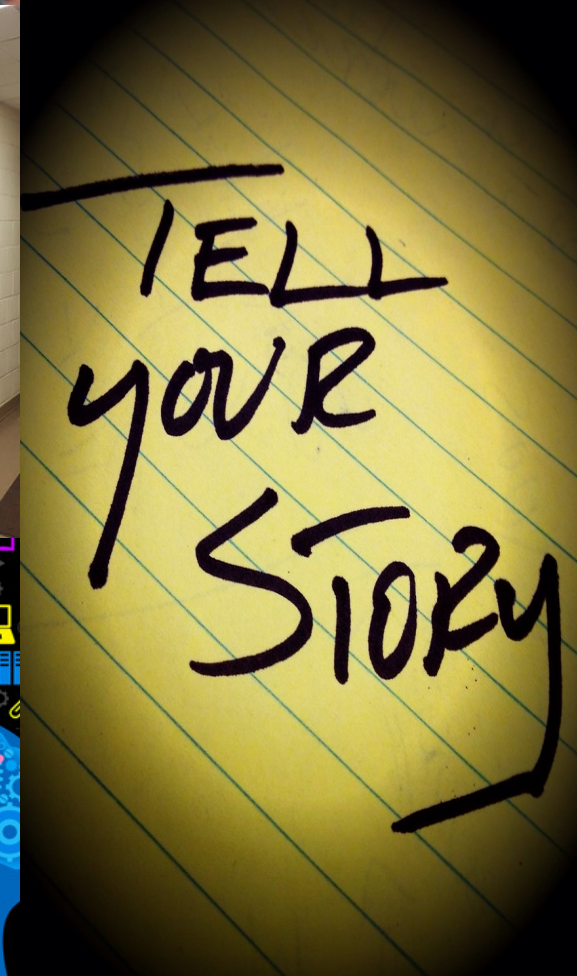
Navigate to other tabs for a deeper dive using the red buttons below.



<https://commerce.maryland.gov/commerce/Pages/Dashboard-of-Key-Economic-Indicators-Tracked-by-MEDC.aspx>

2019 Plan Addendum:

- Communication
- Advocacy
- Telling the Story
- Accelerating Innovation, Commercialization & Entrepreneurship





[Maryland Commerce](#) > [About Commerce](#) > [Maryland Economic Development Commission](#)

About Commerce

- + **Boards and Commissions**
- + Employee Directory
- + Contracts and Procurement
- + Contact Us
- + Request a Speaker
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Related Items

- > Dashboard of Key Economic Indicators
- > MEDC Annual Report 2021
- > MEDC Strategic Plan Addendum 2019
- > MEDC Strategic Plan - Progress Report and Scorecard 2018
- > MEDC Strategic Plan

Maryland Economic Development Commission

The mission of the Maryland Economic Development Commission is to establish economic development policy in the State and to oversee Maryland Commerce's efforts to support the creation, attraction and retention of businesses and jobs. Founded in 1995, the 25 voting member Commission draws upon the expertise of the State's business leaders to inform State economic development efforts by providing a comprehensive evaluation of the State's business climate and recommending to the Governor the policies, programs and spending priorities needed.

- ▶ [2021 Annual Report and Scorecard](#)
- ▶ [2020 Annual Report and Scorecard](#)
- ▶ [2019 Annual Report and Scorecard](#)
- ▶ [2018 Annual Report and Scorecard](#)
- ▶ [2017 Annual Report and Scorecard](#)
- ▶ [2016 Annual Report and Scorecard](#)

[View archive MEDC photos on our Flickr page.](#)

Members

Co-Chairs

Dr. Margaret Wood, PMP; President/CEO, WOOD Consulting Services, Inc

MEDC Webpage - <https://commerce.maryland.gov/commerce/boards-and-commissions/economic-development-commission>

Department Organization Chart -

<https://commerce.maryland.gov/Documents/BusinessResource/maryland-commerce-organization-chart.pdf>



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MEDC
MARYLAND
ECONOMIC DEVELOPMENT
COMMISSION

Julie Woepke, MEDC Executive Director,
juliane.woepke@Maryland.gov or 443-324-0861

MEDA

Maryland Economic
Development Association

Economic Development
Transforms lives.



MEDCO

*Created to be a solutions provider ...
from concept to closing*

Bond and Creative Financing
Real Estate Development
Project Management
Advisory Services



EXPANSION AND
GROWTH IN MARYLAND

MARYLAND ECONOMIC DEVELOPMENT CORPORATION

MEDCO was created to assist with the retention, expansion and attraction of business and industry throughout the State of Maryland. Our special financing, advisory services and real estate development capabilities offer Maryland communities the tools necessary to conceive, pursue and attain their economic development goals.

For more information, please visit our website:
www.medco-corp.com

Maryland Economic Development Corporation (MEDCO)

MEDCO is a quasi-government development corporation, created by the General Assembly in 1984 to serve as a specialized economic development org—supporting non-profit, federal, state and local government entities

MEDCO has the authority to acquire, lease, improve and/or develop real and personal property; finance projects through bond issuance and commercial loans; and offer advisory and consulting services.





MEDCO Mission

1984 -- Maryland Economic Development Corporation formed

MEDCO was originally formed to develop vacant and under-utilized industrial sites and facilities, as well as other economic resources not being addressed by the private sector in economically distressed areas of the state

1999 and 2001 -- MEDCO's authorization was expanded to develop property throughout the state that met its legislative purposes (see text box)

2009 – MEDCO was authorized to issue bonds backed by TIF and/or special taxing districts In order to support Transit Oriented Development-related & sustainable communities infrastructure development across the state, and may also own such infrastructure

MEDCO LEGISLATED PURPOSE

Relieve unemployment in the State
Encourage the increase of business activity and a balanced economy in the State

Help retain and attract business activity and commerce in the State

Promote economic development
Promote the health, safety, right of gainful employment, and welfare of residents of the State



Issuing bonds to finance projects



Owning projects and real estate



Tax Increment Financing



Project development manager



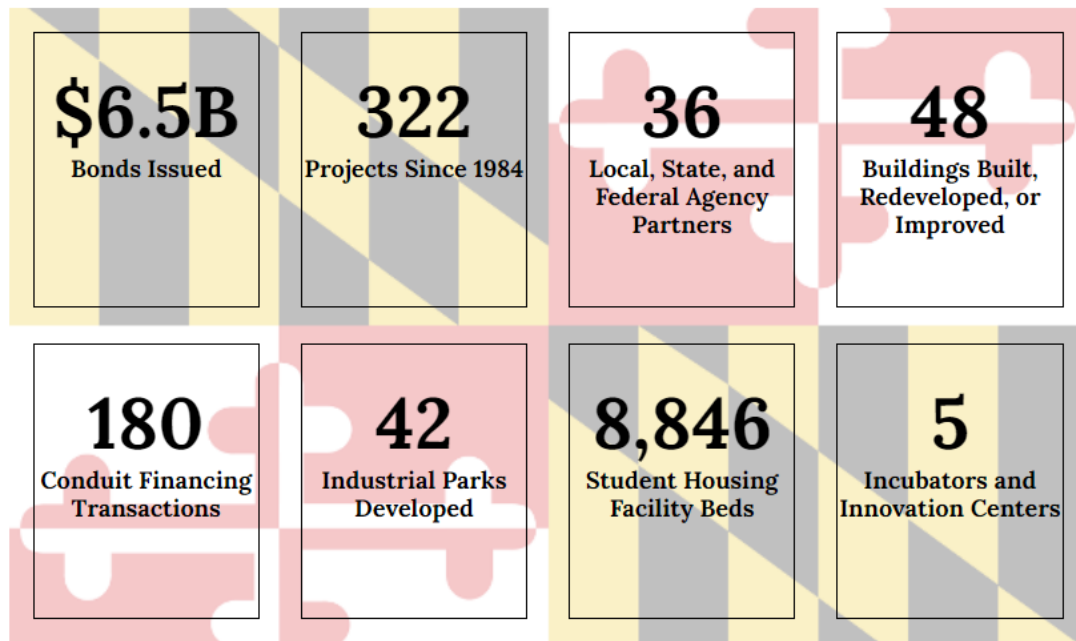
Asset Management



Procuring expert consulting services to guide project development

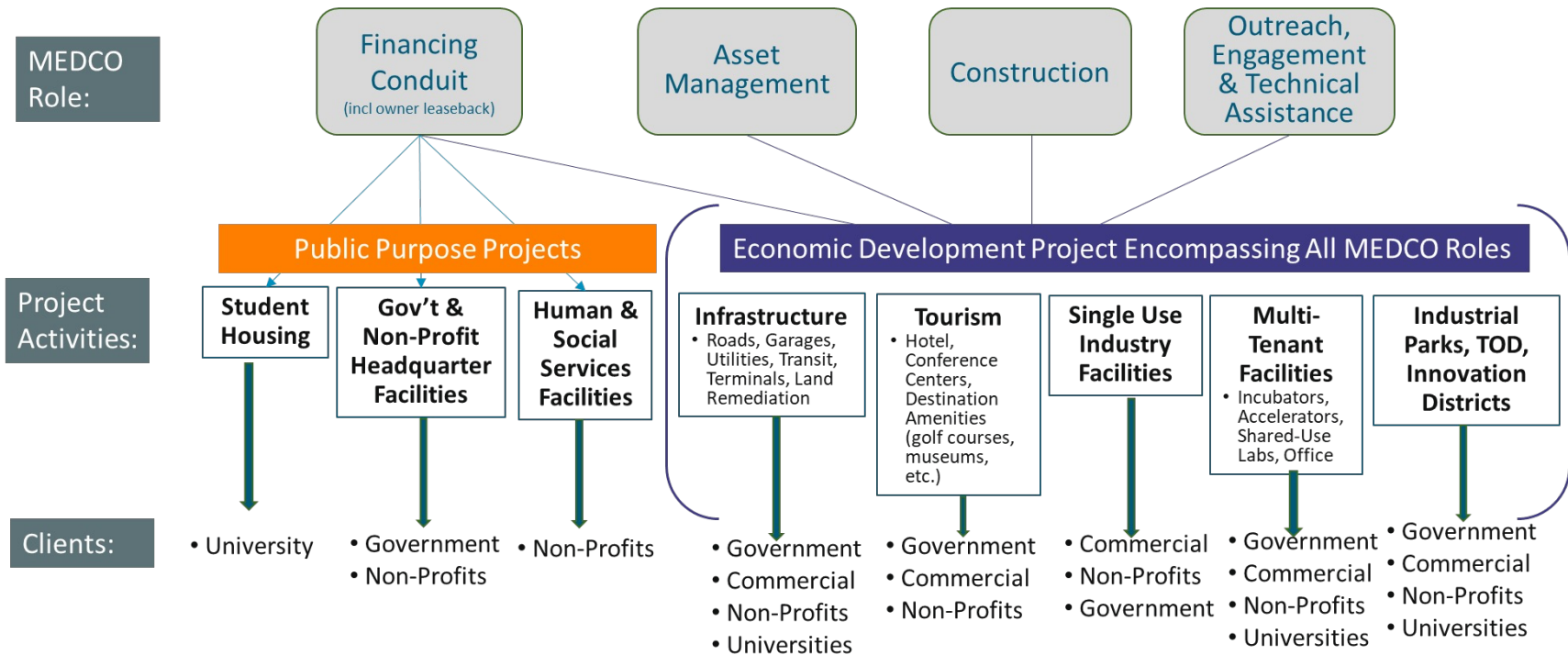
MEDCO Capabilities

MEDCO ...over the years



**Data inclusive of all projects from 1984 to June 30, 2021*

MEDCO Economic Development Activities and Clients



FY 2022 Stats

- Bonds Issued in FY 22 > \$760 million
- Completed Developments :
 - NPS C&O Canal Headquarters
 - Bowie ELLC
- Consulting projects:
 - Bainbridge
 - Mag Lev
 - MD National Capital Parks & Planning Commission
 - MDOT (Traffic Relief & Purple Line)
 - Morgan State University
 - National Park Service
- Total outstanding conduit bond balances: > \$2 billion





Financing Capabilities

Bond Issuance

Eligible borrowers use MEDCO's bond issuing authority to obtain access to the tax-exempt or taxable bond market to finance the costs of land acquisition, building construction, or equipment purchase.

Tax Increment Financing (TIF) Capability

Port Covington Example

- MEDCO issued \$140 million in bonds for infrastructure improvements in a “tax increment financing district” at Port Covington in Baltimore
- These TIF bonds will be repaid by increased property tax revenues generated by this mixed-use project, anchored by one of Maryland’s major homegrown companies, Under Armour
- The infrastructure financed by MEDCO will be a key factor in this placemaking project



Financing Project Example

Seagirt Marine Terminal

Over \$350 Million in total bonds issued

Enabled the Port of Baltimore to modernize and stay competitive by upgrading berths and investing in new cranes at this containerized cargo-handling facility operated by Ports America Chesapeake, LLC,

Seagirt has earned a reputation as one of the nation's most productive and advanced terminals



Development Capabilities

MEDCO can serve as Development Manager for projects—responsible for not just financing, but also planning, design, engineering and project delivery. These projects may be intended for ownership by a third party, by a public agency, or by MEDCO itself.



Thurgood Marshall Hall at Morgan State University, Planned completion summer 2022

Development Project Example

Bowie ELLC

An innovation hub that encourages creative collaboration and entrepreneurial thinking

- In collaboration with Bowie State University, MEDCO financed and developed the Entrepreneurial Living and Learning Center, a new mixed-use development on campus
- Project cost \$45 million
- Housing for 500+ students
- Resources and collaboration space for entrepreneurs



BSU Entrepreneurship Living Learning Community
@ Bowie State University, August 2021



Advisory Services

- Bainbridge Development (1,100 Acres; \$300 million; 3.6 million SF = phase one) *Cecil County*
- National Parks and Planning Commission HQ (\$750 million; 345,000 SF) *Prince George's County*
- SC MAGLEV (Federal, Regional High-Speed Rail Study)



Bainbridge Naval Training Station
Redevelopment, Phase I, October 2021. MRP
Industrial Development Company

Forging New Ground



Assisting MD Commerce and local economic development partners grow Strategic Industries


- Aerospace Aeronautics, Unmanned Aerial Systems & Other Defense Mfg
- Agriculture and Resource Based Industries
- Life Sciences
- Businesses with U.S. or regional headquarters in Maryland
- Distribution, Warehousing, Transportation and Logistics
- Environmental Technology, Renewable Energy and Energy Production
- Financial Services
- Information Technology, Telecommunications, Cybersecurity
- Manufacturing: Food & Beverage; Polymers; Precision Mfg; Printing & Packaging; Wood Products

Supporting 21st century placemaking to attract talent and foster innovation

Addressing needs for inclusive and equitable growth




Strategic Opportunities Going Forward

- Federal and military facilities improvement, enhanced utilization
 - Supply chain infrastructure improvements
 - Regional airport expansion and aircraft maintenance
 - Community reinvestment/redevelopment projects
 - Regional tourism destination projects
- 



Pipeline Project Focus

- Federal and military facilities infrastructure
 - Local and municipal government projects
 - Transit Oriented Development (TOD) and “Sustainable Community” infrastructure
 - Clean Energy
- 

Innovation Districts and “Place Making”

Federal/higher ed/industry R&D accelerators and collaboration labs

Army Research Lab @ Adelphi

UM Discovery District – Quantum Capital

Southern Maryland AeroPark

UMB West Side BioPark

Science+Tech Park @ Johns Hopkins

bwtech@UMBC

Frostburg University Innovation Park

Innovation Districts and “Place Making”

... *continued*

Secured Compartmentalized Information Facilities (SCIF) and cybersecurity accelerator labs

Life science “start up” accelerator and bio-manufacturing



MEDCO

*Created to be a
solutions provider...*

you dream it, we build it




EXPANSION AND
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MARYLAND ECONOMIC DEVELOPMENT CORPORATION

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MEDA

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Economic Development
Transforms lives.



TEDCO

LEADING INNOVATION TO MARKET

Leading
Innovation to
Market for 24
years

TEDCO's Mission

Enhance **economic empowerment** by fostering an **inclusive and entrepreneurial innovation ecosystem**. *Identify, invest in, and help grow technology and life science-based companies in Maryland.*



Tech Transfer

Moving innovations from the research lab to the commercial sector to create new ventures and to make new products and cures available to the public.



Maryland
Stem Cell
Research
Fund

Maryland
Innovation
Initiative
Fund

Federal
Technology
Transfer

Maryland Stem Cell Research Fund



Our Goal

Develop new medical strategies for the prevention, diagnosis, treatment and cure of human diseases, injuries and conditions through human stem cells.

Program to Date



\$170M
Awarded



500+
Grants
Awarded



30+
Organizations



40+
Disease
Indications

ACCELERATING CURES 

Maryland Innovation Initiative Fund

Our Goal

To accelerate and market promising technologies with significant commercial potential from Maryland academic research institutions.



Program to Date



\$43M
Invested



\$571.5M
Follow-On Funding



119
Start-up companies
created & supported



7
Exits

Federal Programs

SBIR/STTR Proposal Lab

- Training program and 1-on-1 mentoring
- Goal: To double the national award rate for SBIR/STTR proposals



N-STEP Program

- Grant funding up to \$100K
- Additional \$12K to provide business support
- Goal: To promote technology commercialization and entrepreneurship from NIST technologies





Investments

Fostering the growth and scaling of strong companies in Maryland and providing economic and financial returns to the state.

- Pre-Seed
- Seed
- Early-stage Venture Capital

Pre-Seed Rural Business Innovation Initiative Fund

Select Investments:



Four Mentors in Maryland's Rural Regions



Lower Shore Region



Upper Shore Region



Western Region



South Central Region

Pre-Seed Social Impact Funds

Invests in pre-seed technology-based businesses owned and managed by economically disadvantaged entrepreneurs:

- Pre-seed stage
- Executive support
- Peer-to-peer education and collaboration
- \$100K - \$200K convertible note investments

Builder Fund Program to Date



22

Companies



\$900k

Invested



3k +

Executive
Coaching Hours

Seed Funds

- **\$4M** annual fund
- **\$100K - \$500K** initial investments
- **Types of Seed Funds**
 - Technology Commercialization Fund
 - Cybersecurity Investment Fund
 - Life Science Investment Fund
 - Gap Fund

Select Investments:



Select Exits:



Venture Funds

Early-stage, evergreen venture capital funds dedicated to funding and growing the next generation of outstanding businesses in Maryland.

- **\$110M** evergreen fund
- **\$500K - \$2M** investments made

Select Investments:

Fugue



Select Exits:

Xometry

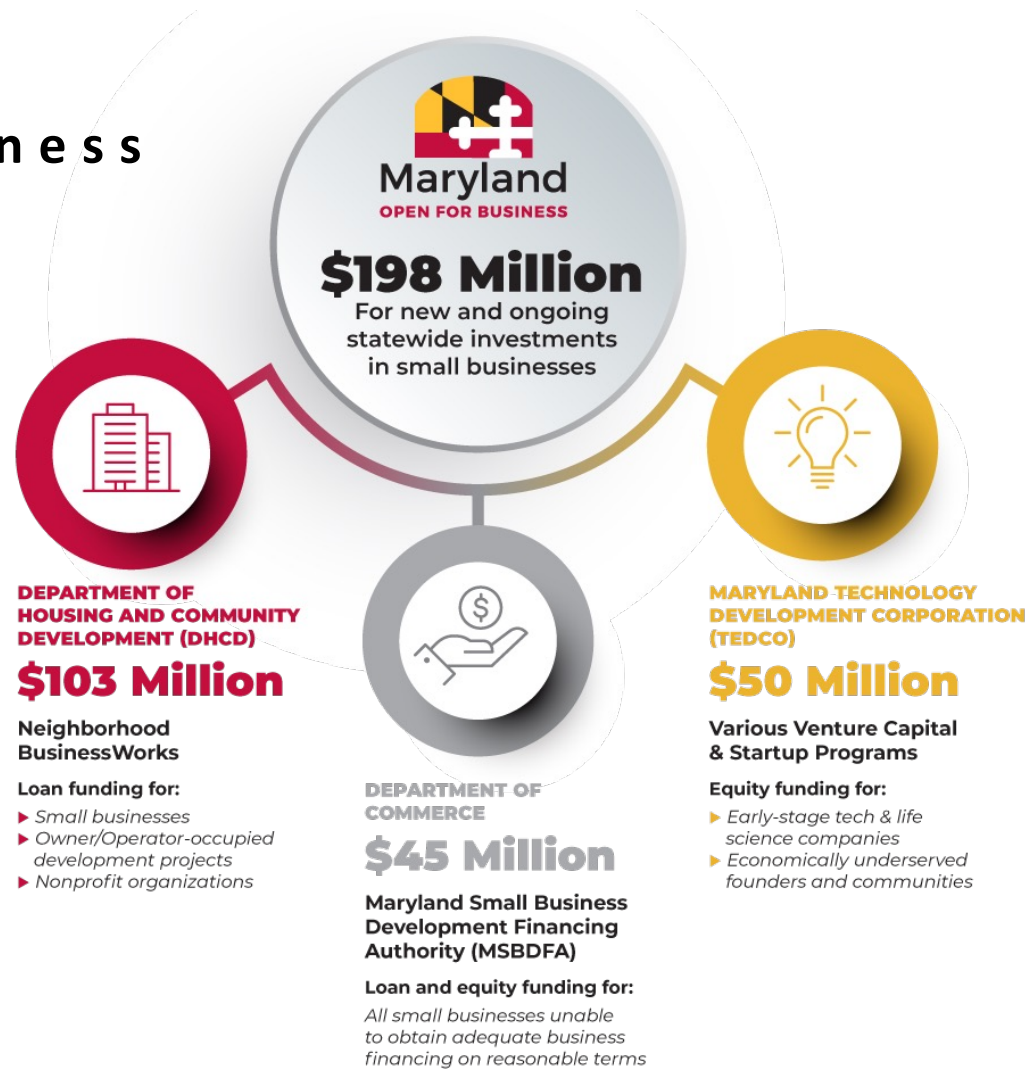
HomeCare.com

Supporting Entrepreneurs & Ecosystem

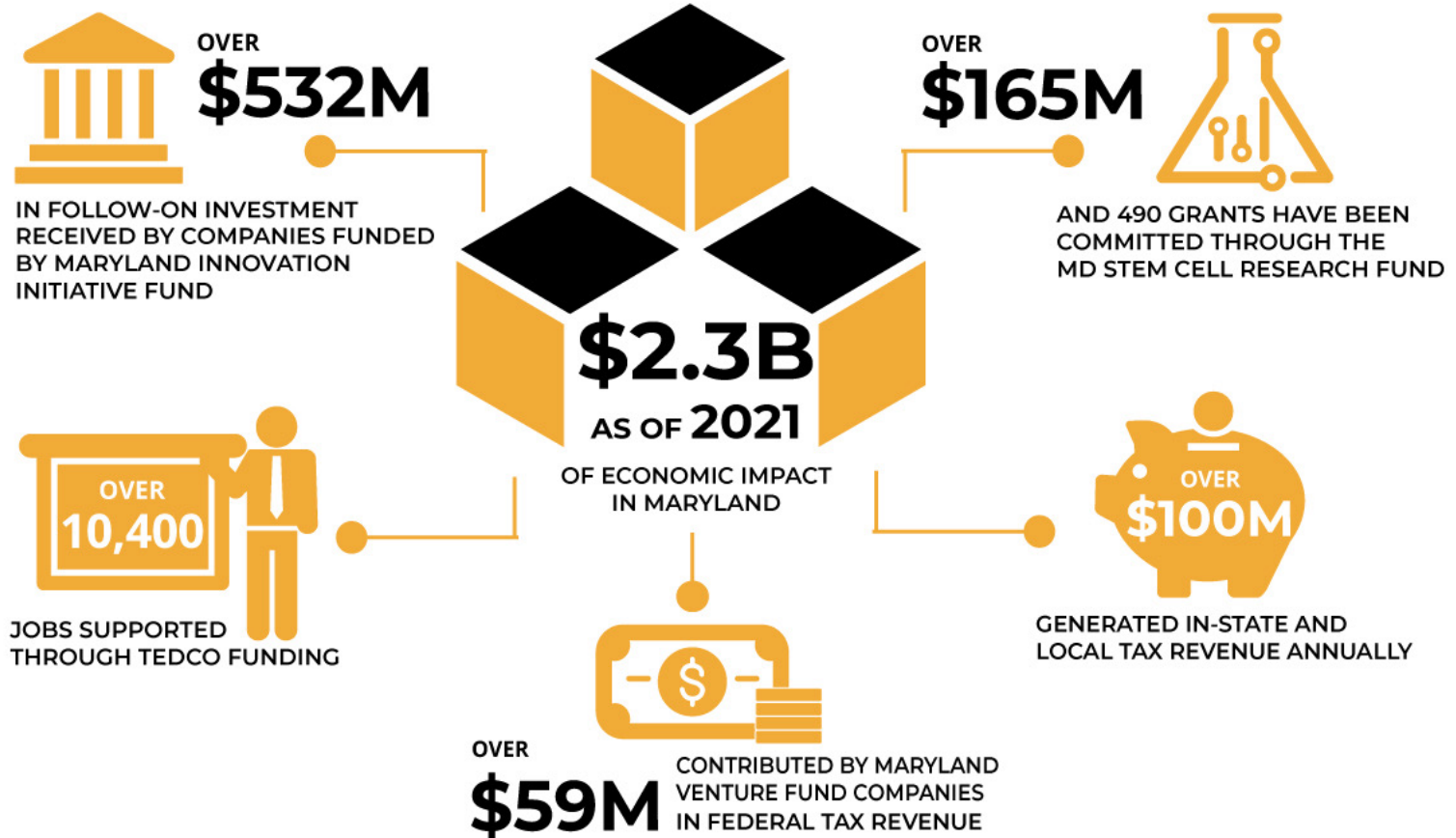
A person's hands are shown interacting with a tablet computer. The tablet screen displays a website with various articles and images. The person is wearing a grey sweater. In the background, there is a wooden desk, a white coffee cup on a saucer, and some papers. The overall scene is a professional workspace.

- Prelude Pitch
- Marketing Toolkit
- SBIR Proposal Lab
- Network Advisors
- Entrepreneur Expo
- Business Roundtables
- Market Search Database
- Start-up Orientation Forum
- Maryland Entrepreneur Hub
- Rural Business Innovation Initiative
- Urban Business Innovation Initiative

State Small Business Credit Initiative



Economic Impact





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MARYLAND'S MOST
ENTERPRISING MINDS



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SIGN UP!



E v e n t s C a l e n d a r

Keep up with all the latest events happening in Maryland's entrepreneurial ecosystem.

SUBMIT YOUR EVENTS



R e q u e s t f o r T h o u g h t L e a d e r s

The TEDCO team is available to provide expert commentary and analysis on a broad range of topics.

REQUEST SPEAKERS



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MEDA

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Development Association

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Department of Commerce



MERIDIAN MANAGEMENT GROUP, INC.

Presentation on the Financing Programs of the

**Maryland Small Business Development Financing
Authority “MSBDFa”**

and

Maryland Casino Business Investment Fund “MCBIF”



WHO WE ARE

- Meridian Management Group, Inc. (“MMG”), formed in 1995, is a private for-profit fund development and management firm with particular expertise investing in small, minority, women and veteran-owned business markets.**



WHO WE ARE

- Management team with:**
 - More than 200 years combined expertise in the market**
 - Long-standing working relationship among partners**
 - Proven track record of success**
 - Commitment to underserved markets**



WHO WE ARE

- MSBDFA has been managed by the principals of MMG since 1982, first as state employees and as a private management firm since 1995.**
- In 2013, MMG executed a contract with the State of Maryland to manage the Maryland Casino Business Investment Fund (MCBIF).**



MSBDFA'S HISTORY

- **The Maryland Small Business Development Financing Authority (MSBDFA) was created in 1978 to promote the viability and expansion of businesses owned by socially or economically disadvantaged entrepreneurs.**
- **MSBDFA has four complimentary programs, set forth as follows:**



MSBDFA's HISTORY (CONTINUED)

- ❑ CONTRACT FINANCING (1978) - Provides direct loans and guarantees for financing contracts that are funded at least 51% by government or regulated public utility contracts; up to \$2 million.**
- ❑ LONG TERM GUARANTY (1983) - Provides guarantees of loans from traditional financial institutions; up to \$2 million**



MSBDFA'S HISTORY (CONTINUED)

- ☐ SURETY BOND PROGRAM (1985) - Provides guarantees and direct bid, payment and performance bonds required for private or public contracts; up to \$2.5 million.**
- ☐ EQUITY PARTICIPATION INVESTMENT PROGRAM (1986) - Debt and Equity type investments that provide patient capital; up to \$2 million**
- ☐ In 2012, Invest Maryland was added as a component of MSBDFA.**



MSBDFA's SSBCI FUNDING

- The state of Maryland has been approved to receive approximately \$198 million under the State Small Business Credit Initiative (“SSBCI”) provided by The American Rescue Act through the U.S. Department of Treasurer.**



MSBDFA's SSBCI FUNDING (CONTINUED)

- ❑ **MSBDFA's EPIP component is receiving \$45 million of this allocation:**
 - **to provide loans and equity financing to:**
 - **small businesses, micro businesses, and Socially and Economically Disadvantaged Individual (SEDI) owned businesses.**
- ❑ **The SSBCI program will be active for 9 years and must be leveraged by private capital at a minimum of 1 to 1.**



MSBDFA's SSBCI FUNDING (CONTINUED)

☐ MSBDFA Loan & Equity Terms:

- ☐ **Loan Amount:** \$25,000 to \$2,000,000
- ☐ **Equity Amount:** \$25,000 to \$1,000,000
- ☐ **Interest Rates:** (for loans): 2%-6% fixed
- ☐ **Rates of Return** (for equity): 5%-9% annualized (SSBCI)



MSBDFA's SSBCI FUNDING (CONTINUED)

- ❑ **MSBDFA Loan & Equity Terms (continued):**
 - ❑ **Term:** From 1 month to 7 years (with the ability to amortize up to 20 years)
 - ❑ **Collateral** (for loans): Full, partial and no collateral **value** can be considered
 - ❑ **Use of Proceeds:** Working Capital; Purchase of Machinery and Equipment; Inventory and Supplies; Purchase of Real Property (if 51% occupied by the business); Leasehold Improvements; Refinancing existing debt; Acquisition of existing businesses.



MCBIF'S HISTORY

- ❑ **In 2008, the Maryland General Assembly passed a bill which legalized video lottery terminals (VLT), commonly called slot machines.**
- ❑ **1.5% of all slot proceeds generated by gaming venues are used to fund small, minority and women-owned businesses (Targeted Businesses).**



MCBIF's HISTORY (CONTINUED)

- ❑ **There are currently six (6) areas that have slot facilities:**
 - 1. BALTIMORE CITY (Horseshoe Casino)**
 - 2. CECIL COUNTY (Hollywood Casino Perryville)**
 - 3. ALLEGANY COUNTY (Rocky Gap Casino Resort)**
 - 4. ANNE ARUNDEL COUNTY (Maryland Live Casino)**
 - 5. WORCESTER COUNTY (Casino at Ocean Downs)**
 - 6. PRINCE GEORGE'S COUNTY (MGM National Harbor)**



MCBIF'S HISTORY (CONTINUED)

- ❑ **The purpose of MCBIF is to provide access to capital for small, minority, women, and veteran owned businesses in Maryland.**
- ❑ **MCBIF's geographic focus is in areas which are within a 10-mile radius (designated by zip code) of the casino facilities.**
- ❑ **However, businesses outside of the 10-mile radius are also eligible for assistance.**



MCBIF's HISTORY (CONTINUED)

- ❑ **MCBIF provides affordable and flexible financing to assist in the:**
 - ❑ **acquisition of businesses,**
 - ❑ **purchase of equipment, owner occupied commercial real estate, vehicles, furniture/fixtures, lease hold improvements, and**
 - ❑ **the provision of working capital.**



CONTINUUM OF FINANCING STRATEGY

- ❑ **Over the course of 30 years, the principals of MMG have developed a unique strategy to provide a continuum of financing sources for small, minority, women and veteran-owned business.**
- ❑ **Through its family of funds, MMG offers various forms of debt, bonding and equity financing. These funds are designed to supplement and complement each other.**

MSBDFA's & MCBIF's Financing Programs



CONTINUUM OF FINANCING STRATEGY

Chart

<u>Debt</u>	<u>Bonding</u>	<u>Equity</u>
MSBDFA Contract Financing	MSBDFA Surety Bonding	MSBDFA Invest Maryland Program
MSBDFA Long Term Guaranty		MSBDFA Equity Participation Investment Program ("EPIP")
MSBDFA Equity Participation Investment Program ("EPIP")		Community Development Ventures ("CDV")
Maryland Casino Business Investment Fund ("MCBIF")		MMG Ventures



TYPES OF FINANCING PRODUCTS OFFERED

Through these programs MSBDFA and MCBIF can provide:

- ❑ Lines of Credit (Including Mobilization Funding)
- ❑ Term Loans
- ❑ Letters of Credit
- ❑ Bid, Payment and Performance Bonds
- ❑ Equity Investments
- ❑ Subordinated Debt with Equity Features

MSBDFA' s Financing Programs



HOW TO APPLY FOR ASSISTANCE

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Phone (410) 333-4270

Fax (410) 333-2552

Email: mmgdeal@mmgcapitalgroup.com

Applications and Program Summaries are Available Online at:

www.mmgcapitalgroup.com

and

www.mcbif.com