

DIVISION OF FINANCE PROGRAMS
GRANTS TO LOCAL ECONOMIC
DEVELOPMENT FUNDS

ANNUAL FINANCIAL STATUS REPORT
FISCAL YEAR 2007
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Submitted by:

Maryland Department of Business and Economic Development

June 30, 2007

GRANTS TO LOCAL ECONOMIC DEVELOPMENT FUNDS

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DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

**MARYLAND ECONOMIC DEVELOPMENT ASSISTANCE AUTHORITY FUND -
CAPABILITY 4 - REVOLVING LOAN FUND**

Two core functions of the Department are to partner with local governments in their economic development efforts and to promote small business development. With that in mind, the Department provides grants to jurisdictions to fund local economic development revolving loan funds (RLFs) to encourage lending to segments of the community that DBED's programs do not reach directly. The typical revolving loan fund client is a small business that may be in an industry sector, such as retail service, that is not included in MEDAAF's approved industry sectors.

Funding of these local programs is provided through the Maryland Economic Development Assistance Authority Fund (MEDAAF). Each jurisdiction is limited to \$250,000 per year and the jurisdiction must provide a 100% match of the requested grant amount unless the local government is located in, a qualified distressed jurisdiction then the match must be in an amount equal to at least 50% of the requested grant amount.

Since October 1998, the Department has approved \$5,929,339 in MEDAAF Grant funds for nineteen (19) local governments.

Under the terms of the grant agreement the grantee must provide the Department with an annual report disclosing how the proceeds of grant were used and the total activity of the RLF. The Department, at its discretion, has the right to call back funds if the local government has not made a loan within two years of the date of the grant.

The following is a chart of the activity provided through reporting by the various grantees:

Local Revolving Loan Fund Activity From Program Inception Through June 30, 2007

<i>Jurisdiction</i>	<i>Amount</i>	<i>County Match</i>	<i>Number of Loans in RLF</i>	<i>Total of Loans Through RLF</i>	<i>Balance in RLF</i>
City of Cumberland/ Allegany Co.	\$ 50,000	\$ 50,000	1	\$6,035	\$99,754
Anne Arundel	\$250,000 \$250,000	\$250,000 \$250,000	20	\$959,147	\$1,403,379
Baltimore City	\$250,000 \$250,000	\$250,000 \$250,000	5	\$556,371	\$443,010
Baltimore Co.	\$250,000	\$250,000	4	\$500,000	\$0
Calvert Co.	\$100,000	\$100,000	1	\$37,675	\$245,221
Caroline Co.	\$100,000	\$50,000	6	\$81,979	\$141,683
Cecil Co.	\$140,397 \$ 86,931 \$ 86,932	\$140,397 \$ 86,931 \$ 86,932	5	\$303,680	\$503,811
Charles Co.	\$250,000	\$250,000	5	\$155,000	\$441,694
Frederick Co.	\$250,000	\$250,000	4	\$118,444	\$372,361

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Garrett Co.	\$250,000	\$250,000			
	\$250,000	\$125,000	1	\$45,856	\$829,144
Harford Co.	\$120,000	\$120,000			
	\$100,000	\$100,000	9	\$479,560	\$1,948,473
	\$250,000	\$250,000			
Howard Co. JREF	\$250,000	\$250,000	8	\$633,051	\$2,935,000
Montgomery	\$250,000	\$250,000			
	\$250,000	\$250,000	18	\$942,798	\$336,598
	\$250,000	\$250,000			
Prince George's	\$250,000	\$250,000	0	\$0	\$605,469
Salisbury/Wicomico	\$203,104	\$101,552	2	\$415,431	\$147,789
Somerset Co.	\$191,975	\$95,987			
	\$250,000	\$250,000	6	\$225,273	\$368,667
St. Mary's Co.	\$250,000	\$250,000	5	\$178,490	\$626,510
City of Hagerstown/ Washington Co.	\$250,000	\$250,000	5	\$357,797	\$366,318
Worcester County*	\$250,000	\$125,000	0	\$0	\$375,000
Totals	\$5,929,339	\$5,431,799			

*New Revolving Loan Fund – Agreement with the Department executed in December 2006.