

OFFICE OF FINANCE PROGRAMS  
GRANTS TO LOCAL ECONOMIC  
DEVELOPMENT FUNDS

ANNUAL FINANCIAL STATUS REPORT  
FISCAL YEAR 2012

ECONOMIC DEVELOPMENT  
ARTICLE

SECTION 5-315  
2001 JCR  
PAGE 303

Submitted by:

Maryland Department of Business and Economic Development

As of June 30, 2012

# GRANTS TO LOCAL ECONOMIC DEVELOPMENT FUNDS

## TABLE OF CONTENTS

History and Program Description.....	1
Performance Since Inception of the Program .....	1
Chart of Revolving Loan Fund Activity .....	1

**DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT**

---

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

Two core functions of the Maryland Department of Economic Development (DBED or 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 Maryland Economic Development Assistance Authority Fund's (MEDAAF) approved industry sectors.

Funding of these local programs is provided through the 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 \$7,164,339 in MEDAAF Grant funds for twenty-one (21) 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 in RLFs as provided in the reporting by the various grantees:

**Local Revolving Loan Fund Activity from Program Inception through June 30, 2012**

<i>Jurisdiction</i>	<i>Amount</i>	<i>County Match</i>	<i>Number of Loans in RLF</i>	<i>Total Outstanding of Loans in RLF</i>	<i>Cash Balance in RLF</i>
City of Cumberland/ Allegany Co.	\$ 50,000	\$ 50,000	0	\$0	\$106,341
Anne Arundel	\$250,000 \$250,000	\$250,000 \$250,000	28	\$1,811,032	\$850,509
Baltimore City	\$250,000 \$250,000	\$250,000 \$250,000	5	\$244,094	\$632,228
Baltimore Co.	\$250,000 \$250,000	\$250,000 \$250,000	5	\$1,000,000	\$0
Calvert Co.	\$100,000	\$100,000	2	\$94,208	\$228,136
Caroline Co.	\$100,000	\$50,000	8	\$151,919	\$63,641
Carroll Co.*	\$250,000	\$250,000			
Cecil Co.	\$140,397 \$ 86,931 \$ 86,932	\$140,397 \$ 86,931 \$ 86,932	4	\$142,831	\$717,849
Charles Co.	\$250,000	\$250,000	6	\$76,301	\$491,870

**DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT**

---

Frederick Co.	\$250,000	\$250,000	2	\$62,926	\$6,072
Garrett Co.	\$250,000	\$250,000	3	\$217,534	\$902,052
	\$250,000	\$125,000			
Harford Co.	\$120,000	\$120,000	7	\$414,076	\$2,885,109
	\$100,000	\$100,000			
	\$250,000	\$250,000			
Howard Co. JREF**	\$250,000	\$250,000	0	\$0	\$0
Howard Co.	\$250,000	\$250,000	5	\$54,209	\$950,157
Catalyst Loan Fund	\$250,000	\$250,000			
Montgomery	\$250,000	\$250,000	38	\$866,702	\$711,927
	\$250,000	\$250,000			
	\$250,000	\$250,000			
Prince George's	\$250,000	\$250,000	1	\$72,500	\$559,467
Queen Anne's County	\$235,000	\$235,000	5	\$129,707	\$448,683
Salisbury/Wicomico	\$203,104	\$101,552	1	\$309,178	\$292,441
Somerset Co.	\$191,975	\$95,987	5	\$123,572	\$489,975
	\$250,000	\$250,000			
St. Mary's Co.	\$250,000	\$250,000	4	\$211,500	\$320,079
City of Hagerstown/ Washington Co.	\$250,000	\$250,000	10	\$654,480	\$587,223
Worcester County	\$250,000	\$125,000	3	\$381,560	\$5,547
<b>Totals</b>	<b>\$7,164,339</b>	<b>\$6,666,799</b>			

*\* Approved in FY12, not yet closed*

*\*\* No longer reports activity*