



COMMERCE SUBCABINET  
Leading Economic Development

*The mission of the Subcabinet is to advise the Governor on proposals to enhance the State's business climate; gather information the Subcabinet considers necessary to promote the goals of the Subcabinet; collaborate to facilitate and expedite critical economic development projects in the State; and provide other assistance that may be required to further the goals of the Subcabinet and enhance the State's business climate.*

Members

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|---|--|
| Agriculture (AG)  | Secretary Kevin Atticks, (Steve Connelly)                |
| Commerce  | Secretary Kevin Anderson, Chair, (Jerel Registre)        |
| Environment (MDE)   | Secretary Serena McIlwain, (Scott Goldman)               |
| Governor's Office of Small, Minority, and Women's Affairs (GOSBA) | Secretary Y. Maria Martinez, (Eduardo Hayden)            |
| Higher Education Commission (MHEC)                                | Secretary Sanjay Rai                                     |
| Housing & Community Development (DHCD)                            | Secretary Jake Day, (Rosa Cruz)                          |
| Labor   | Secretary Portia Wu, (Ashley Sharp)                      |
| Natural Resources (DNR)   | Secretary Josh Kurtz, DNR (David Goshorn, Julia Solomon) |
| Planning (MDP)  | Secretary Rebecca Flora, (Joe Griffiths)                 |
| State (SoS)   | Secretary Susan Lee, (Cathy Bauer, Alexandria Liu)       |
| State Department of Assessments & Taxation (SDAT)                 | Director Dan Phillips                                    |
| Transportation (MDOT)   | Secretary Paul Wiedefeld, (David Zaidain)                |

October 21, 2024  
401 E. Pratt Street, 17<sup>th</sup> Floor Conference Room, Baltimore  
1:00 – 3:00pm  
Minutes

Subcabinet:

- Kevin Anderson, Secretary, Department of Commerce, Chair
- Joshua Kurtz, Secretary, Department of Natural Resources (DNR)
- Susan Lee, Secretary of State (SoS) - Virtual
- Maria Martinez, Secretary, GOSBA - Virtual
- Serena McIlwain, Secretary Department of Environment, (MDE)
- Dan Phillips, Executive Director, Department of Assessments and Taxation (SDAT) - Virtual
- Sanjay Rai, Secretary, Maryland Higher Education Commission
- Portia Wu, Secretary, Labor
- Rosa Cruz for Secretary Jake Day, DHCD - Virtual

Guests:

- Carl Anderton, Director, Rural Economic Development
- Eduardo Hayden, GOSBA – Virtual
- Jennifer LaHatte, Commerce
- Alixandria Liu – SoS – Virtual
- Michael Lore – SoS – Virtual
- Ashley Sharp – Labor - Virtual
- Timothy McGowan, Commerce
- Jerel Registre, Commerce
- Julie Woepke, Commerce

## **I. Meeting called to Order**

Secretary Anderson called the meeting to order at 1:05pm.

## **II. Review and Approval of September 16, 2024 Meeting Minutes**

Secretary Anderson requested a motion to amend the minutes to reflect Secretary Rai's attendance and to correct a grammatical error. Upon a motion duly made and seconded, the minutes of the September 16, 2024, meeting were amended and approved.

## **III. Chair's Update**

Secretary Anderson began his Chair's Report by updating the Subcabinet on the strategic plan. Now that the report is complete, Governor Moore, the Department of Commerce, and the Maryland Economic Development Commission (MEDC) must collaborate to implement the plan.

Secretary Anderson also informed the Subcabinet of the Maryland Economic Council (MEC) report, which was recently made public. The Secretary commended Chair Will Castleberry for his tenacity and analytical style. The report proposes robust efforts to address Maryland's economic challenges. Some recommendations include corporate tax reductions, consolidation of economic efforts, increased coordination, enhanced legislative advocacy, and more. Secretary Wu stated that reaching some of the outlined goals would be difficult but commended the boldness of the report. As one example, Secretary Wu described the challenging process of granting security clearances to interns, one of the recommendations outlined in the report. The Subcabinet engaged in an open discussion on the MEC report, which included conversations about the importance of higher education in economic development and the differences between start-ups and innovation.

Secretary Anderson urged the Subcabinet to read the MEC report in detail on their own time and to bring additional questions to the next meeting. He continued by announcing the new organizational structure of Commerce, specifically the splitting of the Business Industry Sector Development (BISD) division into two entities. The split will create a Business + Projects division and an Innovation + Growth division. Additionally, the Governor's Office of Business Attraction will be formed requiring new hires. Aside from this, no new positions will be created; rather, BISD will be divided to better organize and focus tasks.

Secretary Anderson invited Jennifer LaHatte, Managing Director of Policy, Research, & Government Affairs, to provide an update on potential legislation. While legislative concepts are embargoed from discussion, she was able to give a brief overview of the types of legislation being considered, specifically administrative changes.

Next, Secretary Anderson invited Julie Woepke, Executive Director of the Maryland Economic Development Commission, to discuss the Regional Resources webpage on the Maryland Business Express website. The site is a resource for entrepreneurs and Maryland residents to help them start businesses and/or connect with various regional or agency representatives regarding relevant concerns. While the website could be useful, it has not been updated and therefore displays outdated information. Thus, Mrs. Julie Woepke asked the Subcabinet whether the website should be deleted or updated, as its current state is unacceptable. Secretary Wu stated that the Department of Labor would benefit from increasing its reach but was skeptical about whether the website would make a difference in this regard. Director Dan Phillips added that if they decide to keep the website, it would not only need to be updated but also reorganized, as finding the regional resources page is quite challenging. Mr. Carl Anderton stated that he had used the website in the past and found it helpful, but noted that some of the information he obtained was outdated or incorrect. Mrs. Woepke proposed that the Commerce team conduct research on the matter, specifically how much traffic the website receives and how other states are organizing their information. The Subcabinet agreed that a decision should be made at the next meeting once all the information is available.

Secretary Anderson continued by sharing his trip to Sweden, which centered around a conference in Stockholm. The lecture focused on sustainable economic development and the rationale for protecting the environment as a long-term investment beneficial to both businesses and public health. Secretary Anderson expressed his admiration for Sweden's sustainable practices, noting that the United States is lagging on both a practical and emotional level. Secretary Kurtz added that Sweden's culture and societal belief system are its biggest advantages in creating a sustainable future. Secretary McIlwaine echoed this sentiment and emphasized the importance of changing Americans' perceptions of the climate crisis. Furthermore, she noted that the money spent on Hurricane Helene and Milton could have been allocated to sustainable development, potentially reducing the likelihood of those storms forming.

Secretary Anderson invited Mr. Anderton to share updates on the state of Maryland's rural communities. Mr. Anderton raised an issue regarding fire marshal approvals and the delays they have caused for major projects, most notably the expansion of the Hitachi factory in Washington County. Washington and Garrett counties only have two inspectors and one plan reviewer; thus, when economic development activity is high, many delays occur. This issue not only hampers economic development in Western Maryland, but it also damages the reputation of the state as a business-friendly option.

#### **IV. Governor's Office of Small, Minority, and Women's Affairs (GOSBA)**

Secretary Anderson invited Secretary Martinez to share updates about the Governor's Office of Small, Minority, and Women's Affairs. She provided data to illustrate the progress the office has made in supporting minority groups in developing and growing their own businesses. She noted that the programs she supports are under threat at the national level, likely alluding to the pushback against Diversity, Equity, and Inclusion policies. Despite these challenges, she affirmed that her team is "small but mighty" and ready to collaborate with other agencies to reduce disparities in Maryland.

#### **V. Good of the Order**

Secretary Anderson already reviewed the Strategic Plan in the Chair's Report, so Jerel Registre, Chief of Staff, provided a very brief update. As requested by Secretary Rai for clarification, Mr. Registre explained the three subsectors that the Strategic Plan is targeting, which include computational biology, quantum technology, and aerospace. Mr. Registre also provided information on two (2) planned service programs the Department will undertake.

#### **VI. Adjournment**

Upon a motion duly made and seconded, the meeting was adjourned at 2:38 pm.