



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

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 Lui)
State Department of Assessments & Taxation (SDAT)	Director Dan Phillips
Transportation (MDOT)	Secretary Paul Wiedefeld, (David Zaidain)

August 5, 2024
401 E. Pratt Street, 17th Floor Conference Room, Baltimore
1:00 – 3:00pm
Minutes

Subcabinet Attendance:

- Kevin Anderson, Commerce. Chair
- Steve Connelly, AG – Virtual
- Rosa Cruz, DHCD – Virtual
- Y. Maria Martinez, GOSBA - Virtual
- Ashley Sharp, Labor
- Rebecca Flora, MDP – Virtual
- David Zaidain, MDOT – Virtual
- Serena McIlwain, MDE
- Michael Lore, SoS – Virtual

Guests:

- Brandon Brooks, MDE

Commerce Attendance:

- Carl Anderton
- Jerel Registre
- Julie Woepke
- Timothy McGowan
- Jayson Knott – Virtual
- Signe Pringle – Virtual

I. Meeting called to Order

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

II. Review and Approval of July 16, 2024, Meeting Minutes

Upon a motion duly made and seconded, the minutes of the July 16, 2024, meeting were approved.

III. Chair's Update

Secretary Anderson began the meeting by introducing and sharing the extensive biography of former Delegate Carl Anderton, the new Director of Rural Economic Development and Strategy in the Department of Commerce. Mr. Anderton stated he aims to bring a greater rural presence to the Administration and Subcabinet and to advocate for the regions that have received less economic development support. Secretary McIlwain shared that she was visiting various rural counties, and that Mr. Anderton was welcome to join in her outreach initiative. Secretary Flora also expressed interest in meeting with him to discuss coordination and collaboration.

Secretary Anderson continued his update by mentioning his participation in the release of the WMATA and Montgomery County Request for Qualifications (RFQ) for a Master Developer for the North Bethesda Metro Station property. At 14 acres, this is the largest remaining undeveloped metro station property in the WMATA system, making it an ideal Transit Oriented Development (TOD) project, and the development will be anchored by the University of Maryland (UM) Institute for Health Computing (UM-IHC). Both the development itself and the UM-IHC have significant state and local funding. Mr. David Zaidain, MDOT, reiterated the importance of this project.

Secretary Anderson continued by sharing two (2) figures which represent the current state of the Maryland economy. Figure 1 was a graph which illustrated that Maryland's Gross Domestic Product (GDP) has flattened since 2021 despite the budget increasing dramatically, which highlights the reality that Maryland is "asset rich and strategy poor". Figure 2 displayed Maryland's uneven GDP growth, specifically the disparity between rural and urban counties. Due to migration out of certain counties, the rural regions of Maryland have seen a flattening or even decreasing GDP. Secretary Anderson pointed out that 70% of GDP is correlated with consumer spending in Maryland, thus population shifts have a great effect on economic output.

The Subcabinet was particularly interested in Figure 2. Secretary Flora requested more information regarding the graphic, specifically on growth models, land use policies, infrastructure stats, and the effect failing water and wastewater systems have on rural communities. Mr. Steve Connelly added that agriculture dropped by 16% from 2020 to 2023, a trend that is continuing to get worse. The challenges the agricultural industry is facing are disproportionately hurting the rural communities. Lastly, Ms. Ashley Sharp shared that housing and transportation is a major reason why people are moving out of the rural counties and that not addressing these issues will fail to halt this trend.

Secretary Anderson then shifted the focus to legislative concepts and encouraged the Subcabinet to share any thoughts on legislation they are considering introducing in the next session. Secretary McIlwain stated that she wants to make MDE more efficient and plans to work on the permitting process. She is also working to dispel the narrative that the environment and economy oppose each other. Secretary Anderson concurred and urged the Subcabinet to not fall prey to the either/or paradigm.

Secretary Anderson stated that Commerce is reviewing potential legislative concepts that will support Phase 2 of the Strategic Plan process. It was agreed that legislative concepts will be further discussed at the next

meeting. Secretary Anderson then turned the meeting over to Chief of Staff, Jerel Registre to discuss the status of the Strategic Plan process.

IV. Strategic Plan

Mr. Jerel Registre took the Subcabinet through the updates of the strategic plan. Mr. Registre explained that the plan was reviewed by the Governor and the Performance Cabinet, and that the Department was instructed to further focus the priority sectors in respect to the Light House Sector Strategy. Life Sciences is being proposed to be narrowed down to gene therapy and computational biology, technology is proposed to be quantum computing which touches all industries, and manufacturing is recommended to be refined to aerospace and defense with a focus on drones, search and detection devices. Mr. Registre also explained that “EcosystemMD” and “Bespoke Talent Solution” are two (2) initiatives that the Department is zeroing in on. Lastly, Mr. Registre explained that once these priority sectors have been approved the strategic plan would move into phase 2, which is the implementation of the plan.

Mr. Registre stated Phase 2 could be implemented by Executive Order and fall into three (3) categories – Budget, Legislative, and Government and Operations. He gave the examples that the Strategic Closing Fund, ecosystems buildup, use of existing zones such as the RIZE zone and talent solutions could fall under the Legislative category. He emphasized the importance of intentional investments. Mr. David Zaidain expressed the importance of including transit when funding investments projects.

The Subcabinet added their comments and feedback to this update. For example, Mr. Michael Lore questioned whether cybersecurity would fall under the technology sector as that is an industry that has a lot of potential. Furthermore, Secretary Flora urged the Subcabinet to keep in mind zoning barriers when implementing the various strategies outlined in the plan. Secretary Martinez requested to integrate more with small businesses as the sentiment has been that they do not feel included.

V. Good of the Order

No additional information was shared among the members.

VI. Adjournment

The open meeting was closed at 2:20pm upon a motion made by Secretary McIlwain and seconded by Rosa Cruz and approved by all voting members. The meeting was closed pursuant to General 3 Provisions Article § 3-305 (4), to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State. Confidential and financial information is protected from disclosure under the Maryland Public Information Act (§4-335).