



Maryland

COMMERCE SUBCABINET

July 16, 2024
401 E. Pratt Street, 17th Floor Conference Room
Baltimore
12:00 – 1:30pm
Draft Minutes

Subcabinet:

Secretary Kevin Anderson, Department of Commerce, Chair
Director Dan Phillips, State Department of Assessments and Taxation (SDAT) - Virtual
Secretary Paul Wiedefeld, Maryland Department of Transportation (MDOT)
Secretary Rebecca Flora, Maryland Department of Planning (MDP) - Virtual
Secretary Susan Lee - Secretary of State (SoS)
Secretary Portia Wu Department of Labor - Virtual
Secretary Jake Day, Department of Housing and Community Development (DHCD) - Virtual
Alison Tavik, Director of Communications & Outreach for Special
Secretary Y. Maria Martinez, Governor's Office of Small, Minority, and Women Business Affairs -
Virtual
Deputy Secretary Steve Connelly for Secretary Kevin Atticks, Department of Agriculture
Deputy Secretary David Goshorn for Secretary Josh Kurtz, Department of Natural Resources -
Virtual

Guests:

Ashley Sharp, Deputy Chief of Staff, Department of Labor
David Zaidain – MDOT - Virtual
Michael Lore – Secretary of State - Virtual
Rosa Cruz – Department of Housing and Community Development
Jerel Registre, Chief of Staff, Commerce
Timothy McGowan, Council and Program Specialist, Commerce
Jennifer LaHatte - Commerce
Jayson Knott – Commerce

I. Meeting called to Order

Secretary Kevin Anderson called the meeting to order at 12:02pm.

II. Review and Approval of June 10, 2024 Meeting Minutes

Upon a motion duly made and seconded, the minutes of the June 10, 2024 meeting were approved.

III. Chair's Update

Secretary Anderson reviewed the agenda and explained the goal of the meeting, which was to update the Commerce Subcabinet on the Strategic Plan and the progress made by the Maryland Economic

Development Commission (MEDC). The meeting was moved from July 29 to July 16 so the Subcabinet would have an opportunity to share their perspectives before the plan was further developed. Also, Secretary Anderson reminded the Subcabinet that the State is facing fiscal challenges, so the members should expect that certain initiatives will be prioritized over others.

Secretary Anderson emphasized that although the MEDC aims to focus economic development efforts towards certain sectors, no Department will be left behind and that Maryland's economic development strategy will be regularly reviewed and updated according to State needs. Finally, Secretary Anderson addressed recent political turmoil and the necessity of all Departments to remain focused and vigilant. He noted that this is a time for institutional change and that the Department of Commerce needs to capitalize on Maryland's rich assets.

Before starting the presentation, Secretary Anderson invited Secretary Susan Lee to share economic development initiatives between Maryland and international players. She emphasized that international collaboration is not only attractive for Maryland but the entire region.

IV. Economic Development in Maryland

Secretary Anderson presented the Maryland Economic Development Strategy to the Subcabinet. The three (3) pillars of the strategy include boosting target sectors and big bets, creating a world class innovation pipeline that flows from Research and Development (R&D) to businesses and to create businesses, and extending our "talent advantage" by building an equity forward, inclusive workforce. Each pillar has three (3) to (4) initiatives/strategies and policies supporting the pillars to achieve the overarching economic objectives. Secretary Anderson showed each initiative's cost and job creation projections and urged the Subcabinet to refer to the data when assessing the strength of the initiatives. He also noted that he would not be going through every initiative but rather the ones that the MEDC has identified as priorities.

The first initiative, the Lighthouse Sector Strategy, targets industries that have an outsized contribution to economic growth. Secretary Anderson described how Ohio went from the 49th to 27th in employment growth by investing in certain industries and that Maryland should replicate that strategy. Chief of Staff Registre explained that the sectors identified as promising are life sciences, technology, and manufacturing. Secretary Wu wanted clarification on what life sciences entail as her team was able to identify many different definitions. The Subcabinet concurred that many of the identified sectors are very broad and must be narrowed down if Maryland is to pursue a focused economic development strategy.

Secretary Lee strongly advocated for investing in the life sciences but urged the Subcabinet to consider the infrastructure and regulatory challenges associated with this industry. She vocalized her support for funding knowledge-based industries and noted that aerospace is a promising sector to investigate. Also, Secretary Flora and Secretary Day emphasized that Maryland needs to be attractive for employers in the mentioned sectors. They both agree that people pursuing jobs in knowledge-based industries expect a certain lifestyle and that the infrastructure must reflect that.

Initiative 2 - the Strategic Closing Fund, is focused on winning anchor deals in priority sectors. Secretary Anderson described Maryland's "Sunny Day" fund as playing defense and that this initiative will try to attract new businesses to come to Maryland instead of merely retaining businesses. Secretary Flora recommended that the Strategic Plan explicitly state that programs for retention already exist so that Maryland business leaders do not feel as though they are being forgotten.

Secretary Anderson continued by explaining initiative 5, "EcosysteMD", which aims at capitalizing on Maryland's R&D and converting it into technologies, firms, and start-ups. Secretary Wu finished the

presentation by explaining initiative 8, Venture Catalyst, which aims to increase investment from regional investors. The meeting ended with a brief discussion on the general direction of the Strategic Plan. Secretary Flora urged Secretary Anderson and Chief of Staff Registre to prioritize the ease of doing business more. She said she has talked to many business leaders who have struggled with starting businesses or investing in Maryland.

V. Good of the Order

No additional information was shared among the Subcabinet members.

VI. Adjournment

Upon a motion duly made and seconded, the meeting adjourned at 1:27 pm.