



BEST IS THE Standard

A Strategic Plan for Accelerating Economic Development in
MARYLAND

MEDC
MARYLAND
ECONOMIC DEVELOPMENT
COMMISSION

**Progress Report
& Scorecard 2018**
For The Department of Commerce



I'm pleased to share the 2018 Maryland Department of Commerce Progress Report and Scorecard. This report highlights our efforts over the past year and provides a critical self-assessment of our progress accelerating business development and growing jobs. The report reveals that we are continuing to enhance our economic climate and to truly make Maryland "Open for Business."

As I have said many times before, "Economic development is a team sport!" And it's true. We've built our success by collaborating with our partners and stakeholders throughout the state, and I am fortunate to be able to work with such an outstanding team of professionals.

Our economic development teamwork philosophy extends well beyond the great team we have at Commerce. We work closely with other state agencies, as well as our local economic development partners and elected officials, to identify challenges and provide solutions to help grow our business community.

We appreciate the continued oversight by and collaboration with the Maryland Economic Development Commission (MEDC) as we strengthen Maryland's regional, national, and global economic competitiveness. Since the MEDC adopted our strategic plan *Best is the Standard* in 2016, Commerce has rebooted and restructured the department aligned with the plan's goals.

Mike Gill | Secretary of Commerce

"THE EFFECTIVE EXECUTION OF THESE STRATEGIES COUPLED WITH OUTSTANDING CUSTOMER SERVICE, AN AGGRESSIVE REBRANDING, AND ONGOING EVALUATION AND ADJUSTMENT WILL KEEP MARYLAND FISCALLY VIABLE, SPREAD PROSPERITY, AND EXPAND THE STATE'S GLOBAL IMPACT AND PRESTIGE."

BEST IS THE STANDARD | THE MEDC STRATEGIC PLAN FOR THE DEPARTMENT OF COMMERCE

Executive Summary

Best is the Standard, the Department of Commerce's strategic plan, was adopted by the Maryland Economic Development Commission (MEDC) in 2016. Since its development, Commerce has remained focused on these six goals:

- (1) Achieve Operational Excellence;
- (2) Foster a Competitive Business Climate;
- (3) Advance Innovation and Entrepreneurship;
- (4) Expand Targeted Industry Clusters;
- (5) Create One Maryland and Enhance Community Development; and
- (6) Improve the Maryland Brand.

As this 2018 Progress Report and Scorecard reflects, Commerce has continued to implement the plan with a more streamlined organizational structure, a legislative agenda that addresses key issues for business, and by creating innovative programs. In addition, the Commerce collaboration in key industry sectors, has to creative partnerships that drive new business expansion and create jobs. The Commerce team works persistently to make Maryland more competitive, promote the state's outstanding assets, and reinforce a business-friendly attitude.

Recognizing that economic development is a team sport, Commerce closely partners with economic developers, industry, legislators, and state and federal agencies to support our customers, grow the economy, and make Maryland truly "Open for Business."

The diligent work of the Commerce team, under MEDC guidance, is producing results. Interactions with Maryland businesses in all industry sectors and of all sizes are on the rise, and engagement with site location consultants has yielded new business attraction, retention, and expansion projects. There has been a significant uptick in requests for proposals and requests for information for new projects in the state. A renewed focus on manufacturing, agribusiness, and energy, as well as the steadfast focus on our core target industries of life sciences and cybersecurity, is resulting in new opportunities. This work and culture change is reflected in the state's improved national rankings and a more positive customer satisfaction rating.

"There continues to be a growing sense of enthusiasm throughout Maryland regarding our economic future that is helping to fuel job growth and renew the commitment of business leaders to invest in the state. We are moving toward a shared roadmap to stimulate private investment, create higher quality private sector jobs, expand training opportunities, and support a robust, flexible, and sustainable economy for all Marylanders."

Anirban Basu | MEDC Chair



Performance Measurements:

What the Data Tell Us About Maryland

#46
Job Growth

#30
GDP

#14
Best states for
Business

#26
Best States for
Business

#6
Best States
to Live

#6
Venture Capital
Investment

#1
STEM Jobs

#6
Life Sciences
Cluster

#32
Unemployment

#27
Population Growth

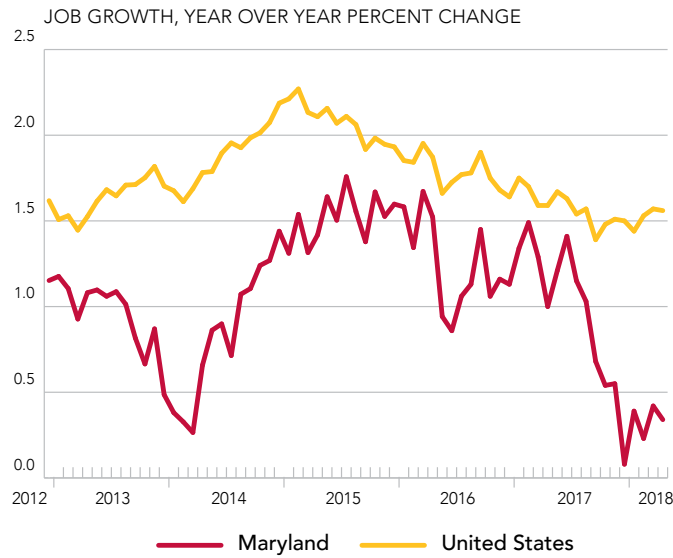
Over the course of 2017, the MEDC Rankings and Research Subcommittee, chaired by Commissioner Ed Coleman, evaluated economic indicators and rankings to advise the Department on strategies and initiatives.

The following is a dashboard established by the Subcommittee to provide a snapshot of critical criteria that can significantly impact Maryland’s economic growth. The dashboard also tracks the workforce criteria of population and unemployment, broken down by regions in the state along with Baltimore City.

SNAPSHOT

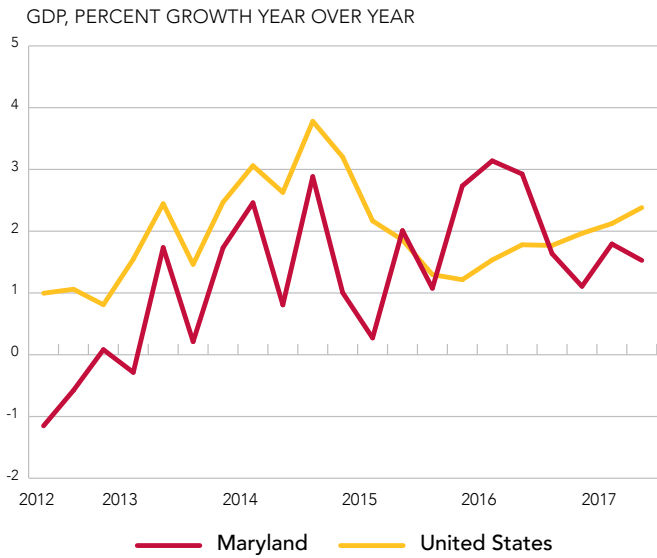
Job Growth

Apr-18 MD jobs growth 0.3%. Rank: #46



GDP

2017 Q4 MD GDP \$400.6 billion. Growth rate 1.5% over 2016 Q4. Rank: #30



Business Climate Rankings

Why? Important for tracking perceptions about Maryland from external constituencies

How to Measure? National rankings and publications

- **#14** Best States for Business: 24/7 Wall St 2017
Up from #18 in 2016
- **#25** Top States for Business: CNBC 2017
Up from #30 in 2016
- **#26** Forbes Best States for Business 2017
Up from #31 in 2016
- **#41** Chief Executive Best & Worst States 2017
#43 in 2016

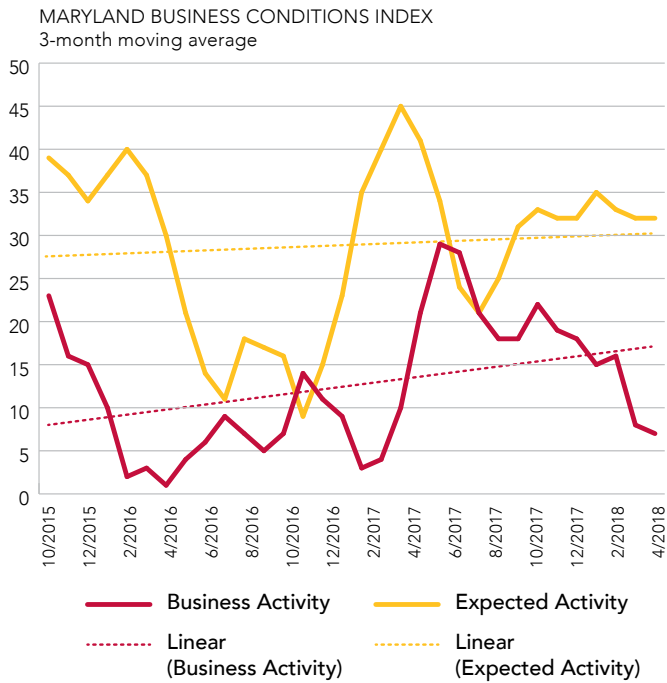
Taxes & Regulations

Why? Major factor in business and household location decisions

How to Measure? Tax Burden comparisons and rankings

- **#43** State Business Tax Climate: Tax Foundation 2018
#41 in 2017
- **#39** Entrepreneur-friendly states: Small Business Policy Index 2018
#40 in 2016
- 15th Highest state and local tax collections as a percentage of personal income at 10.9%, below the U.S. median of 10.3%
- 10th Highest state and local taxes per capita at \$5,847, above the U.S. average of \$4,883

■ Positives ■ No Progress



Quality of Life

Why? Major factor in business and household location decisions

How to Measure? Housing costs, health care, traffic congestion, cost of living, crime

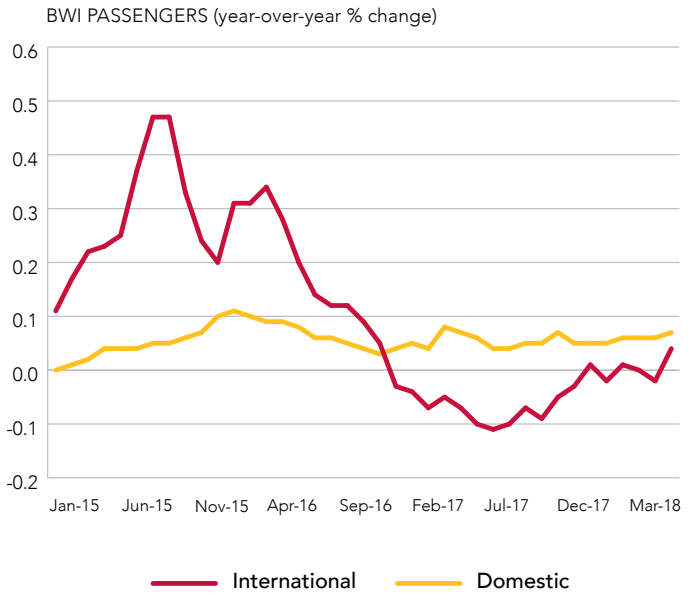
- **#6** “Best States to Live In” 24/7 Wall St (income, poverty, life expectancy and education)
- **#13** Best States: US News (7 Key areas – education, health care, infrastructure, economy, government, opportunity, and crime)
- **3rd Lowest** poverty rate for 2016, with 9.7% of the population living in poverty, compared with 14.0% for the U.S.
- **#10** State Energy Efficiency Scorecard
- **#4** Access to broadband
- **#26** Quality of life rank: Forbes Best States (poverty, crime, health)
- **#31** Quality of Life: US News (natural environment, social environment)
- MD Median home sales price is 16% higher than U.S.
- Traffic congestion (INRIX Traffic Scorecard)
 - Baltimore #33 out of 240 U.S. cities
 - Frederick #93
 - Hagerstown #156
 - Cumberland #229

Infrastructure

Why? Investment to support job growth, enhance quality of life

How to Measure? Access, roads, transit, utilities

- **#3** Infrastructure upgrades and #5 broadband Leadership: Business Facilities
- **26 Million** total BWI passengers in 2017, up 5.0% from 2016
- Port of Baltimore is 4th fastest growing port in North America
- **#25** Infrastructure: US News Best States (roads, transit usage, energy, internet access)
- **#37** in structurally deficient bridges – 5.6% of bridges in need of repairs
- **#44** Infrastructure rank: CNBC Top States (airports and freight, road quality, commute times)
- **#39** Electricity price—Average Price of Electricity per Kilowatt hour, Jan-17
- **#49** Commute time—Average travel time to work 32.8 minutes



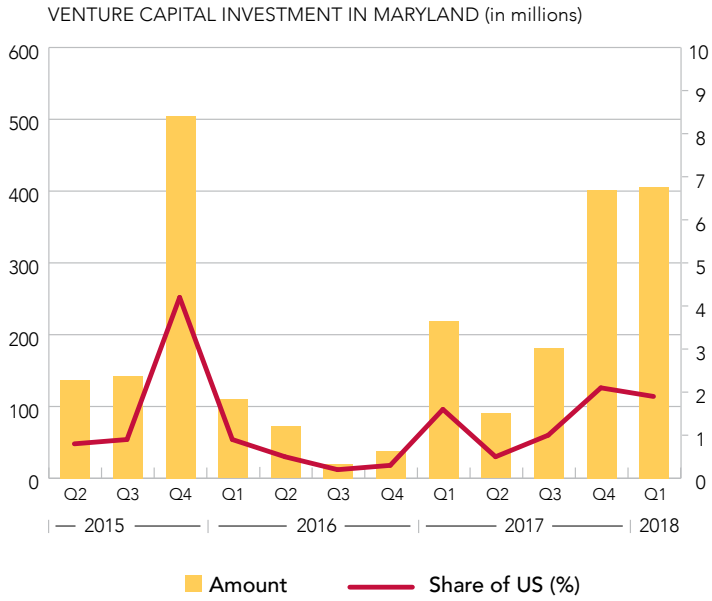
■ Positives ■ No Progress

Education & Innovation

Why? Important basis of future growth potential; supports emerging high-growth industries

How to Measure? R&D activity, venture capital, business startups, educational attainment, workforce skills

- **#6** Venture Capital investment: \$405.9M in 2018 Q1 - 11th in the number of venture capital deals (16); 6th in the dollar value of deals (\$889 million)
- **#1** STEM jobs (9.3%)
- **#10** Public school expenditures per pupil (\$14,431)
- **#3** Bachelor's degree attainment; #2 graduate degree attainment
- **#5** Schools: Education Week, Quality Counts 2017
- **#4** Small Business Innovation Awards 2016 (\$94.9M)
- **#6** Life Sciences cluster
- **#6** State New Economy Index 2017—down from #5 in 2014



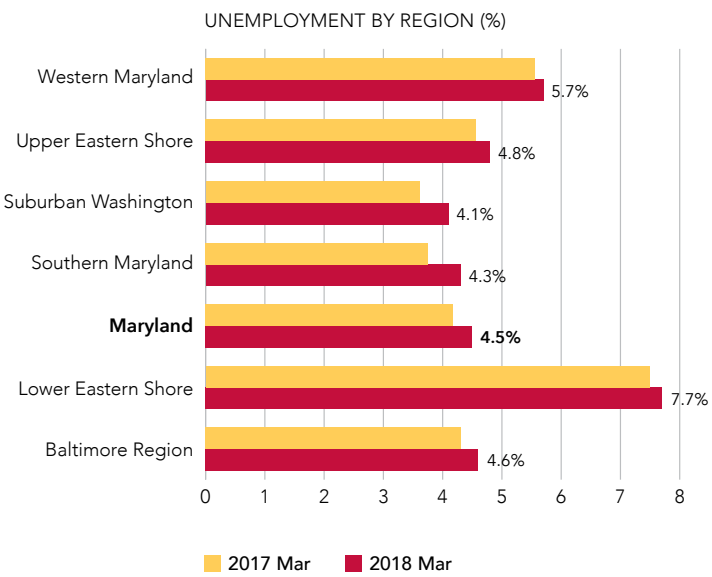
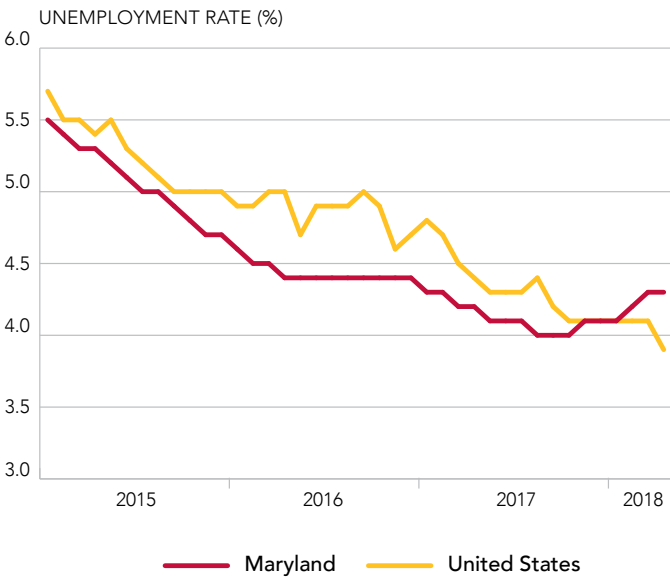
Workforce & Wages

Why? Indicator of workforce availability and skills, factor in cost of doing business and quality of life

How to Measure? Job growth, wage growth, labor force measures

- **#32** Unemployment 4.3% Apr-2018
- **#25 in Dec-14 (5.5%)**

- **#10** Labor force participation rate (67.5%)
- **#14 in Dec-14 (66.8%)**
- **#44** private sector jobs growth Apr-17 to Apr-18 (0.6%)
- **#31 in Dec-14 (1.8%)**
- **#42** private sector average wage growth (-1.6%)
- **#35 in Dec-14 (3.4%)**
- **#41** Manufacturing jobs – Apr-17 to Apr-18 (1.5%)



■ Positives ■ No Progress



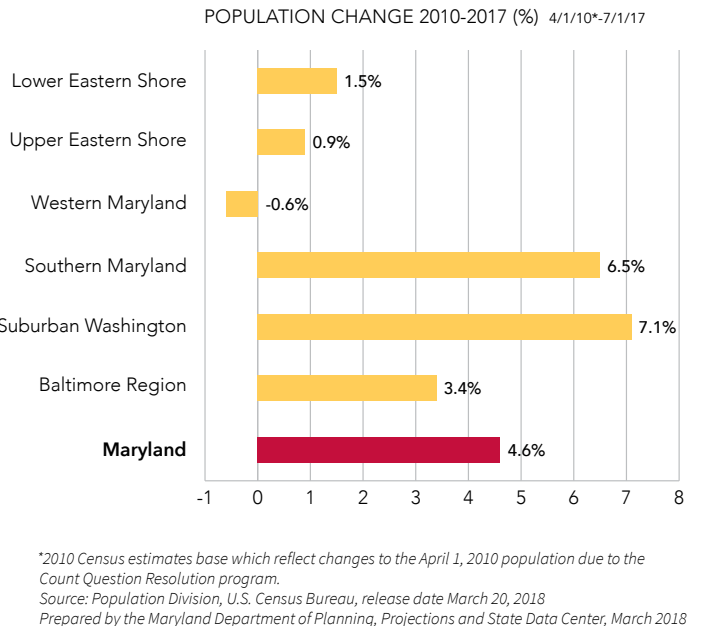
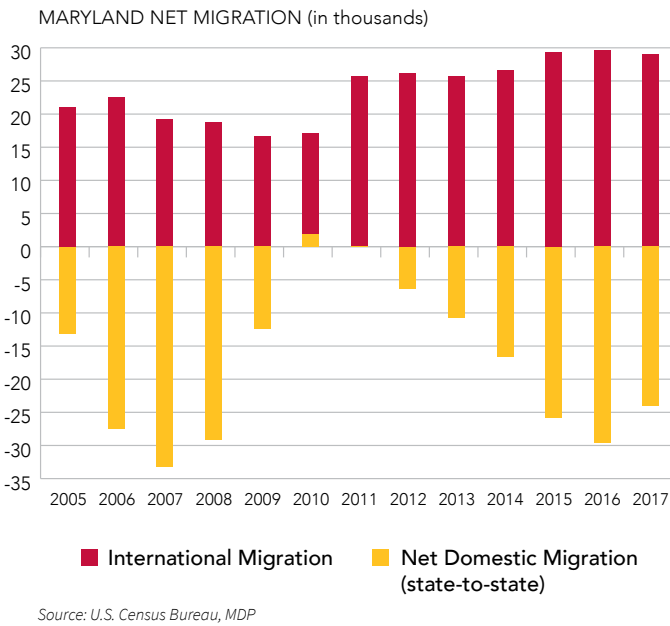
Population

Why? Necessary for vibrant economy; indicator of attractive quality of life

How to Measure? Population growth by region; domestic migration

- Growing millennial population – Baltimore and Washington top 5 increase in young college graduates (Pew Stateline)

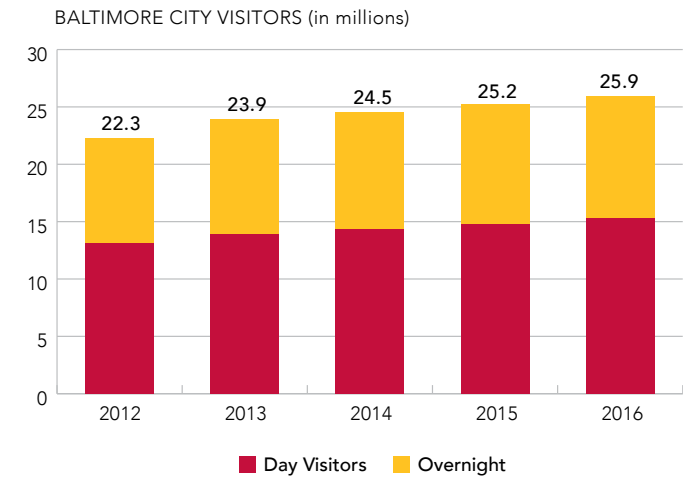
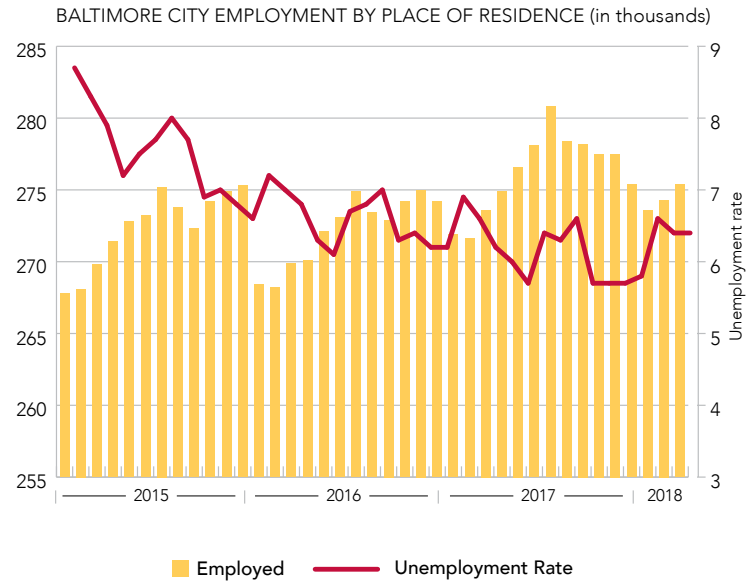
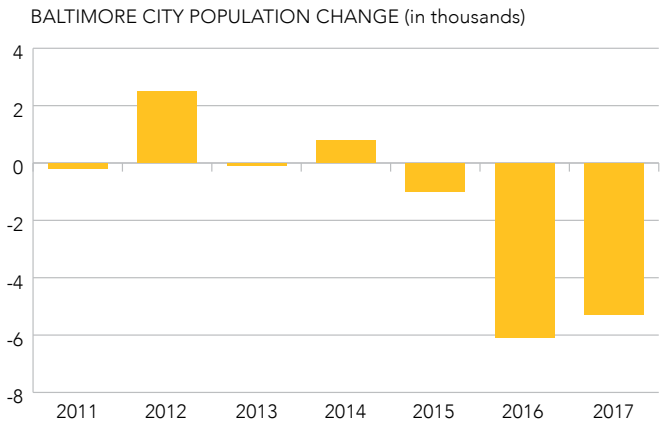
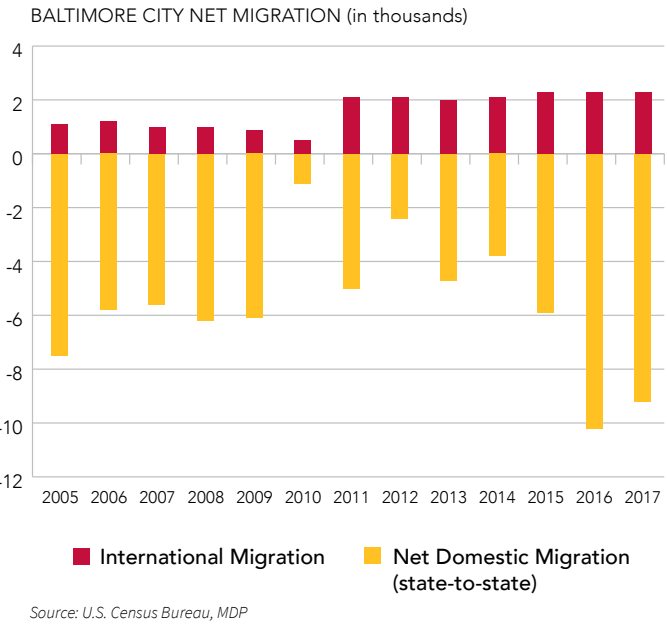
- Western Maryland population increased by 78 in 2017—second straight year of increase
- **#1** Millionaire households for 2017 - 7.87% of households have \$1 million or more in investable or liquid assets
- **#27** Population growth 2016 to 2017 (0.45%)
- **#39** Rate of net domestic out-migration 2017



■ Positives ■ No Progress

Baltimore Indicators

Baltimore-Columbia-Towson metro GDP \$187.4 billion in 2016
Growth rate 2.4% over 2015



Commerce customers are noting the change in culture and customer service.

Sample survey comments from loan recipients of the Maryland Small, Minority, Women-Oriented Business Video Lottery Terminal (VLT) program:

- “Our fund manager was simply awesome!”
- “Our fund manager acted not as a loan officer, but as a member of my team and a trusted business advisor.”
- “There was a better understanding to support my business and a flexibility for funding than I found working with several large financial institutions.”

Benchmarking Progress: Strategic Plan Achievements

Goal #1: Achieve Operational Excellence

Team Commerce has evolved into a culture of improved communication, responsiveness, and collaboration. Building on best practices, Commerce has been tasked to help implement the Governor's statewide customer service initiative. The Maryland Customer Service Plan encompassed 39 state agencies, regular surveys, annual agency training, and Customer Service Annual Reports. Communication and response times have improved with an overall statewide customer service satisfaction rating of 80 percent. Not only is Commerce engaged statewide, internal improvements have been made for an enhanced customer experience and a more streamlined, proactive, and collaborative action-oriented process.

The Commerce Subcabinet, comprised of the most externally-facing, business-focused state agencies, has succeeded in delivering more responsive and expeditious service and solutions. Commerce Subcabinet workgroups focused on Customer Service, Workforce Development, and Job Creators tracking more than 110 projects, programs, and initiatives of significant business impact throughout the state.

An effective and predictable business climate is a priority. Engaging both internally and externally with elected officials, higher education partners, and the federal government, Commerce identified programs and initiatives to support economic vitality and growth.

Enhancing Customer Service

- Led the implementation of the Governor's statewide Customer Service Initiative.
- Facilitated and executed a Request for Proposal (RFP) for a master contract with 19 customer service training and process improvement consultants that is available to all state agencies and Maryland counties and municipalities.
- Executed the Governor's statewide Customer Service Heroes Program acknowledging individual achievements.
- Delivered the inaugural Customer Service Annual Report chronicling progress across all agencies on their customer service improvement plans.

- Created an online customer satisfaction survey compiling over 20,000 survey results in 2017. More than 80 percent of customers reported being satisfied with the services provided.





- Led the Commerce Subcabinet resulting in improved interagency coordination.
- The seven-agency Commerce Subcabinet—comprised of Commerce and the Departments of Environment (MDE), Housing and Community Development (DHCD), Planning (MDP), Transportation (MDOT), Labor, Licensing and Regulation (DLLR), and the Governor's Office of Small, Minority, and Women Business Affairs (GOS-BA)—met in alternating months. Also engaged are the State Department of Assessments and Taxation (SDAT) and the Maryland Higher Education Commission (MHEC).
- The Commerce Subcabinet interagency approach has led to expedited issue resolution, better understanding of challenges and opportunities, sharing of best practices, and mutual priorities.
- Efforts by the three workgroups—Customer Service, Workforce, and Job Creators—led to new methods to improve transparency, process improvement, and enhanced customer experience.



- Commerce business units implemented several internal and external process improvements to simplify and enhance the customer's experience.
- Various processes within the Office of Finance Programs, including proposal letters and tax credit and loan applications, were overhauled to be more user friendly and customer service oriented.
- The Maryland State Arts Council created a new internal online process for analyzing and processing grant reports leading to expeditious payments for all customers.
- Supporting the Governor's Advisory Council on the Impact of Regulation on Small Business, Commerce assisted in the development of guidelines and accompanying list of trade organizations to improve the operations of state government.

Improving Team Member Development

- Held quarterly onboarding training to familiarize new team members with Commerce culture, resources, and department functions. Expanded Commerce University, encouraged utilization, added online content, and scheduled in-person presentations.
- Internal Commerce TED Talk "Think Tank" lunches were held to discuss various aspects of collaboration and leadership skills.
- Developed and implemented a new Outreach Visit strategy to enhance and enrich the customer experience, and trained key team members.
- Created a new Commerce Management Team, comprised of director-level supervisors, in support of improved internal communication and collaboration. A new Management Board leadership development and special projects program was created that will facilitate a six-month special project to improve culture and support strategic plan goals.
- Created "Commerce Strength," a new health and wellness program for team members.



Measuring Outcomes

- Collaborated with the *Baltimore Business Journal's* "Best Places to Work" program to solicit input on team member satisfaction and engagement.
- Surveyed and received input on internal team satisfaction of administration services.
- Surveyed customers of the Maryland Small, Minority, Women-Owned Business Video Lottery Terminal (VLT) loan program. 88 percent of customers reported very satisfied or satisfied by the VLT Loan Managers and the primary reason cited was the detailed level of support that went beyond the loan.



Goal #2:

Foster a Competitive Business Climate

Commerce is achieving this goal through a series of legislative and budget initiatives that were introduced to increase competitiveness and transform programs to meet the needs of the 21st Century economy.

Among the objectives of the 2018 General Assembly session was to establish a competitive incentive to aid in Maryland's quest to win the Amazon second headquarters (HQ2), enhance the Cybersecurity Investment Incentive Tax Credit, and modernize the Maryland Economic Development Assistance Authority and Fund (MEDAAF) to better reflect the needs of today's business community.

Key Legislative Wins

During the 2018 Session, Commerce worked in tandem with the Administration on the successful passage of a number of business and economic development initiatives. Additionally, a number of key incentives were adopted that will enhance the state's competitive position.

- **Attracting Amazon HQ2 to Maryland: The Promoting extraordinary Innovation in Maryland's Economy (PRIME Act)** – Provides income and property tax credits to support qualifying Fortune 100 companies with tax credits and benefits for up to 10 years. This legislation was created as part of Maryland's bid to win the Amazon HQ2 project.
- **Cybersecurity Tax Credits** – Revises the Cybersecurity Investment Incentive Tax Credit to provide the refundable income tax credit to investors. Additional improvements to the program include a tax credit for the purchase of cybersecurity technology and services from Maryland cybersecurity businesses. The amount of this credit is equal to 50 percent of the cost, not to exceed \$50,000 per buyer.
- **Small Business Relief Tax Credit** – This initiative establishes a refundable tax credit for small businesses with 14 or fewer employees (at specified wages) that also provides sick and safe leave. The credit is \$500 per qualified employee.
- **One Maryland Economic Development Tax Credit Simplification** – Modifies the existing One Maryland program and the definition of a Qualified Distressed County for use in this program and other Commerce programs. Geographic eligibility is expanded meaning additional counties will now be eligible to use this valuable incentive when seeking to attract new businesses and support expanding businesses. The changes also create a tiered structure for projects and associated tax credits based on the number of new positions created.



Budget Highlights

The Commerce Fiscal Year 2019 budget is \$150 million. Highlights include:

- **Maryland Economic Development Assistance Authority and Fund (MEDAAF)** – continued funding for Commerce’s key financing program MEDAAF with \$25 million in special funds to support state attraction and retention initiatives.
- \$10 million in funding for the **More Jobs for Marylanders** tax credit program. The credit, which was passed during the 2017 legislative session, will create new jobs by reducing taxes for manufacturing employers in qualifying high-unemployment areas.
- **Partnership for Workforce Quality (PWQ)** – Commerce was successful in securing another year of funding for this critical workforce development program for incumbent workers. \$1 million will be available in FY2019 to continue the state’s effort of encouraging manufacturers to invest in employee training by providing matching grants directly to businesses.
- **Sunny Day Fund** – \$10 million in funding for the annual payments for prior successful attraction and retention packages to Northrop Grumman (\$5 million) and Marriott International (\$5 million) through the State’s Sunny Day Fund. An additional \$10 million was set aside in the Sunny Day account, demonstrating the Governor’s commitment to attracting Amazon HQ2.

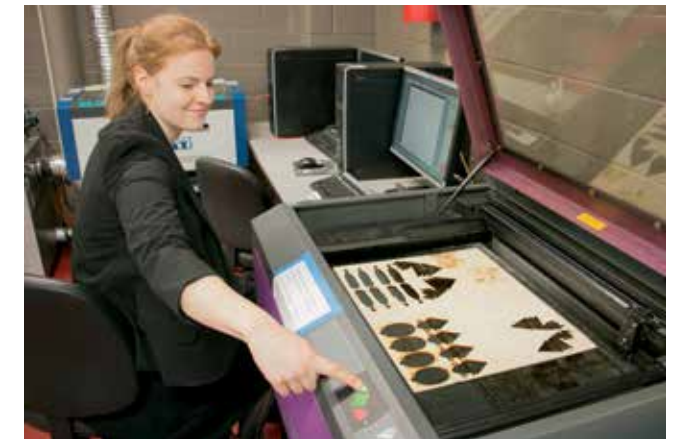
Improving Tax Policy

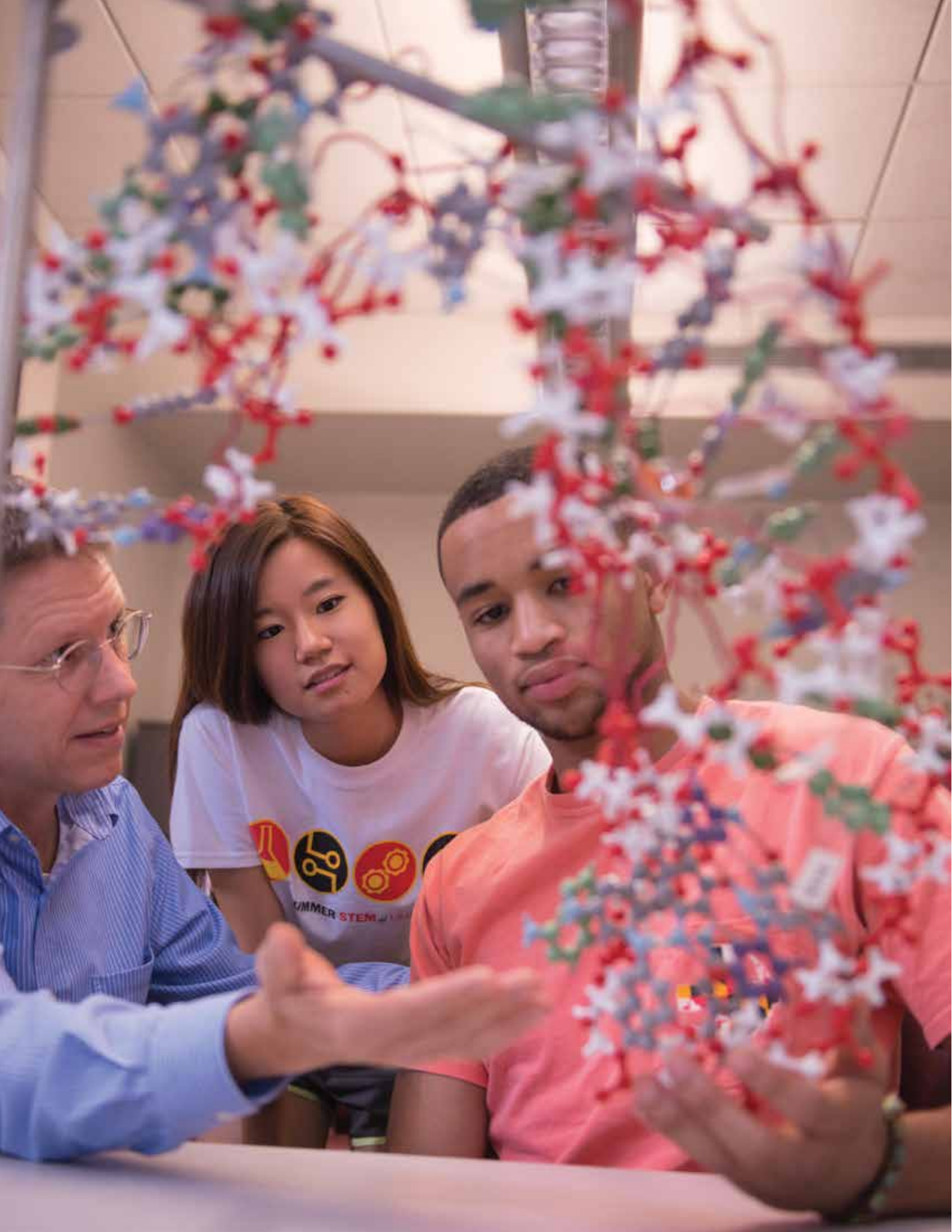
Single Sales Factor Apportionment of Corporate Income Tax – Maryland’s corporate income tax was modified to phase in single sales factor apportionment over a five-year period beginning in 2018. This important change to Maryland’s corporate tax structure extends this benefit beyond just the manufacturing industry to all businesses headquartered in the state.

Finance and Tax Incentive Programs

For a second year, Commerce worked diligently to secure passage of a bill to modernize the Maryland Economic Development Assistance Authority and Fund (MEDAAF) and improve Maryland’s competitive position. The Administration and Commerce also sought to expand the More Jobs for Marylanders program. These efforts were unsuccessful as both bills failed to pass the General Assembly.

- **Advantage Maryland** – Proposed renaming the MEDAAF program to Advantage Maryland and restructuring to streamline and modernize the program allowing for working capital as an eligible capability. The bill passed unanimously in the Senate but failed in the House.
- **More Jobs for Marylanders 2.0** – Proposed expanding the More Jobs for Marylanders program by expanding the number of counties eligible for Tier I designation and allowing those counties to select three additional industry sectors for which the enhanced incentives could apply. The bill did not pass the General Assembly.





Goal #3:

Advance Innovation and Entrepreneurship

Maryland was ranked #2 in innovation in 2017 by WalletHub, which analyzed data from 18 key innovation indicators, including the density of technology businesses, the number of professionals in STEM (science, technology, engineering, and math), research and development spending per capita, and Internet infrastructure, among other criteria.

To continue this innovation momentum, Commerce works closely with key stakeholders to bring together the state's nationally preeminent life sciences and cybersecurity industries, stakeholders and academia to capitalize on our assets, drive accelerated innovation, spur entrepreneurship, and feed the innovation and entrepreneurial lifecycle.

Driving Workforce Training

- **Maryland WorkSmart** – Led the coordination of a training program with the Maryland Association of Community Colleges (MACC) to address current and future needs with 31 businesses in active negotiations for workforce training.
- **International Workforce Roundtable** – Led 16 representatives from the Technical Colleges of Singapore, joined by representatives from five Maryland Community Colleges, and DLLR for a roundtable on best practices.
- **Internship Network of Maryland (inMD)** – In partnership with the Maryland Technology Council (MTC), launched inMD, a web-based talent marketplace which helps deliver the right candidates to businesses. Partnering with MTC will aid in ongoing promotion, fundraising, and management.
- **Workforce Development** – Led the Commerce Subcabinet Workforce Workgroup to increase interagency collaboration and enhance customer service; web site coordination; agency cross-training; cross marketing of public relations; and joint marketing of programs.

Strengthening Life Sciences Partnerships

- **Biomedical Device Center of Excellence (CoE)** – Launched a Center of Excellence for Advanced Biomedical Device Manufacturing in collaboration with the University of Maryland, College Park (UMCP) and the University of Maryland, Baltimore (UMB). The Fischell Institute for Biomedical Devices supports businesses with Food and Drug Administration (FDA) authorizations, market needs, and health insurance reimbursements.
- **USM Shady Grove Life Sciences Innovation Start-up Hub** – Partnering with the Universities at Shady Grove to design a life sciences innovation hub to support startups in a new biomedical building slated to open on campus in 2019.
- **National Institute for Innovation of Manufacturing Biopharmaceuticals (NIIMBL)** – Engaged several external industry partners in NIIMBL to accelerate biopharmaceutical manufacturing innovation, develop standards for more efficient and rapid manufacturing capabilities, and educate and train a world-leading biopharmaceutical manufacturing workforce. In partnership with UMCP and Johns Hopkins University (JHU), this \$250 million investment spans more than 150



businesses, educational institutions, nonprofits, and state governments. NIIMBL will operate under a newly formed nonprofit to forge links between universities, the National Institute of Science and Technology (NIST) and the Food and Drug Administration (FDA).

- **FDA Medical Device “Test Bed”** – In partnership with the FDA, began the creation of a Medical Device “Test Bed” aimed at furthering the development and commercialization of novel and innovative medical devices, and encourage the adoption of these devices. This effort will be executed through collaborations with FDA, Centers for Medicare and Medicaid Services (CMS), payers, health systems, private sector, academia, and others to develop and implement innovations that address priority health related issues.
- **Maryland Federal Commercialization Task Force** – As recommended by the Maryland Life Sciences Advisory Board (LSAB), established a Task Force to review and prepare recommended strategies to overcome barriers to commercializing federal and university technology with a Technology Transfer Summit featuring the state’s research stakeholders, was held in spring 2018.



Supporting Innovation and Research

- **Maryland E-Nnovation Program** – To date, the E-Nnovation Authority has awarded \$31.3 million in funding to leverage \$37.7 million in private donations to local colleges and universities for professorships. Funding can be used to pay salaries of newly endowed department chairs, staff, and support personnel in designated scientific and technical fields of study; fund related research fellowships for graduate and undergraduate students; and purchase lab equipment and other basic infrastructure and equipment.
- **Advanced Manufacturing, Materials and Processes (AMMP) Center of Excellence** – Partnering with the Army Research Lab (ARL), National Center for Manufacturing Sciences (NCMS) and numerous private industry partners to establish AMMP, formerly known as the National Manufacturing Materials Development Corporation (N2MD). An existing building located outside



of the gate of Aberdeen Proving Ground (APG) was selected in 2017. Timeline for development of the center is led by federal government budget approval, to continue toward a funded appropriation in 2018.

- **Defense Technology Commercialization Center (DefTech)** – Created a center to promote commercialization of Department of Defense (DoD) technologies out of APG, advancing innovation and entrepreneurship.
- **Innovation Connection** – Launched an initiative in partnership with TEDCO to connect Maryland’s large corporations with early stage businesses to support and strengthen the state’s emerging economy.





Goal #4:

Expand Targeted Industry Clusters

Over the past year, Team Commerce was actively engaged with Maryland manufacturers and the agribusiness and energy sectors, and created a number of initiatives around cybersecurity, including the launch of a cybersecurity asset map. The Department also conducted industry roundtables with professional services and the venture community, and supported the Life Sciences Advisory Board in the adoption of a new biotechnology strategic plan, among other initiatives. These efforts supported the Governor's Excel Maryland initiative, aimed at growth and innovation within the state's life sciences and cybersecurity industries.

Manufacturing

- **Maryland Manufacturing Advisory Board (MMAB)** – Reconstituted and held meetings of the MMAB to advise on methods to boost new and expanding manufacturing enterprises.
- **More Jobs for Marylanders** – Hosted roundtables in Western Maryland, the Eastern Shore, and the Baltimore region to educate the manufacturing community on the new incentive program.
- **Partnership for Workforce Quality** – Promoted these matching grants for workforce training after the program was revived with \$1 million in new funding.
- **Support for Manufacturing through Partnerships** - Commerce's support to statewide manufacturing organizations net big returns. The 2017 grant of \$220,000 to the Maryland Manufacturing Extension Program (MD MEP) generated \$391 of economic impact for every \$1 of funding, while stimulating \$42 million in new investment and the creation or retention of more than 700 jobs. Support to the Regional Manufacturing Institute (RMI) helped produce events such as Techtonic Shift, an event connecting high school students with manufacturing businesses and industry; Maryland Manufacturing Day, which connected college and university students with manufacturing

businesses; and Industry 4.0, which is a series educating manufacturing businesses on trends in the industry on this methodology.

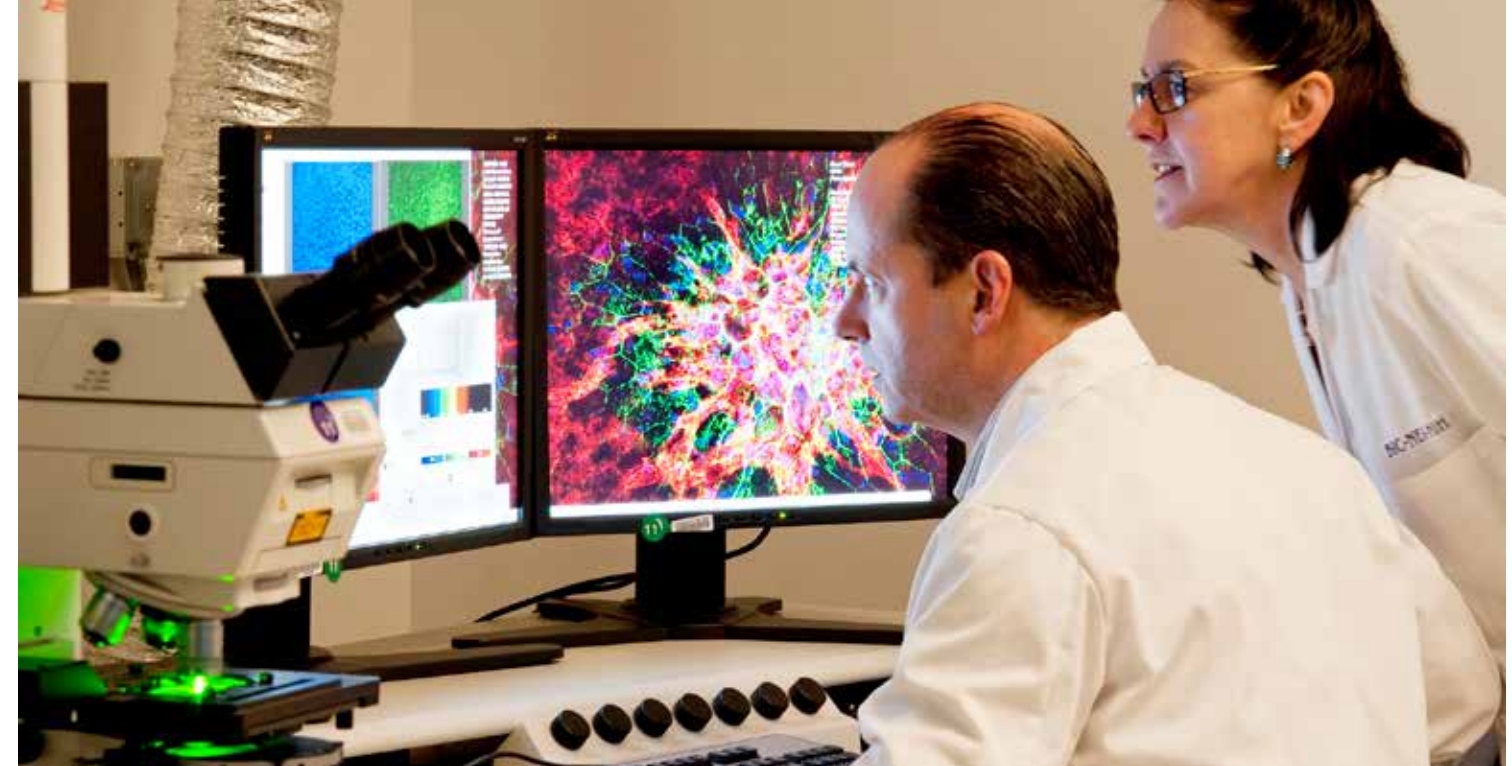
Energy and Environment

- **Sustainable Materials Management Maryland (SM³)** – Participated in a private-public sector collaboration to support the Governor's Sustainable Materials Management Executive Order.
- **Sustainability Marketing Workgroups** – Coordinated industry and specialists at Maryland Energy Administration (MEA), MDE and Maryland Environmental Service (MES) for messaging opportunities to attract and grow sustainable industry businesses.
- **Offshore Wind (OSW)** – Participated in two foreign delegation trips to position Maryland as the OSW manufacturing hub for the East Coast.
 - Amsterdam, Netherlands – attended an international Forum and Trade Show with state agency partners to attract industry manufacturers.

- London and Hull, United Kingdom – represented Maryland as a guest of the British government with a delegation of a dozen other U.S. representatives. Participated in policy education meetings in London and toured manufacturing and training facilities in Hull.
- **Data Center Strategy** – Working with MEA and industry leaders to develop Maryland’s approach to attracting data centers, an industry with large energy consumption needs.
- **Maryland Electric Vehicle Infrastructure Council (EVIC)** – Engaged with EVIC to evaluate, advise, and promote incentives for ownership of EVs and the purchase of EV charging equipment in support a statewide infrastructure plan.

Cybersecurity

- **Branding** – Actions undertaken to reinforce Maryland’s worldwide preeminence in the industry included:
 - Participation in RSA, the world’s leading cybersecurity conference through exhibition and meetings with prospective businesses and in support of Maryland businesses.
 - In partnership with the United Kingdom Midlands Cyber Engine, participated in InfoSec Europe for business attraction. The event attracted over 400 exhibitors showcasing the most relevant information security solutions and products to over 19,500 information security professionals.
 - In cooperation with the Economic Alliance of Greater Baltimore (EAGB), released the Maryland Cybersecurity Asset Map. The online portal provides over 1,300 strategic cybersecurity assets statewide ranging from businesses, academia, training, federal agencies and facilities, to CoEs, research and development and investments.
- **Engagement** – Team outreaches to industry more than doubled in 2017, increasing from 165 the previous year to 429. Meetings ranged from large corporations to startups. Commerce also introduced new opportunities to engage industry through:
 - A Chief Information Security Officer (CISO) Roundtable.
 - Support of CAMI and its more than 360 member companies in 2017. With CAMI, hosted first Cybersecurity Awards and Cybersecurity Marketplace.
 - Engagement with the Health Information Management Systems Society.
 - Hosting programs at the National Cybersecurity Center of Excellence (NCCoE).
 - Participation in the Maryland Cybersecurity Council, the Governor’s Workforce Development Board Cybersecurity Task Force, Governor’s Office of Homeland Security, and DLLR as an active participant in the review and granting of Employment Advancement Right Now (EARN) grants and apprenticeship programs.
- **Growth and Attraction** – Emerging from outreach activities, Maryland welcomed business investment, job creation and new exchanges:
 - Jobs and investment from corporations such as Elta North America, a subsidiary of an Israeli company; FASOO, a South Korean company; and BlueVoyant, a startup relocating from northern Virginia.
 - Opened Baltimore Cyber Range, a training service resulting from the Governor’s 2016 Israel mission.
 - Exchange of Dutch and Maryland businesses as part of The Hague Security Delta Memorandum of Understanding (MOU), and exchange of the United Kingdom and Maryland cybersecurity businesses.
 - Partnership between Commerce and University of Maryland Baltimore County (UMBC) Research and Technology Park to form iCyberCenter@bwtech – an international cybersecurity incubator that offers executive training, a 12-month incubator program and other support to businesses from the United Kingdom and other allied nations interested in establishing a foothold in the U.S. market.



BioHealth and Life Sciences

- **Life Sciences Advisory Board (LSAB)** – Supported the LSAB as it adopted a strategic plan to grow the industry by promoting and leveraging of assets, enhancing community connectivity, improving access to capital, and supporting the workforce. Implementing the strategic plan, planned and executed a Technology Transfer Summit.
- **Excel Maryland** – Supported the Governor’s Excel Maryland initiative announced at the inaugural Governor’s Business Summit. The statewide economic development strategy is focused on new collaborations to accelerate growth of Maryland’s leading sectors including life sciences and cybersecurity industries. Excel Maryland seeks to pool the talents of state agencies, universities, and private sector industry experts to create an environment in Maryland where more businesses can start up and continue to grow.
- **MedTech Ecosystem** – Efforts began to build a Maryland MedTech ecosystem that could potentially include a Center of Excellence for Medical Devices, a National Consortium on 3D, and Additive Manufacturing to support medical device initiatives, NIIMBL, the MedStar Institute for Innovation (MI2) focused on building out an international pipeline, and a health system for prototypes and clinical trials in support of a demonstration hub.
- **Life Sciences Asset Map** – Efforts are underway to develop and launch a “crowd sourced” asset map for the biohealth and life science industries.
- **Industry Promotion** – Enhancements are underway to the Office of BioHealth and Life Science through new branding; new webpage to include the asset map, business resources, statewide directories, and educational resources; marketing materials, reinvigorated social media campaign; and launching of a newsletter. Participation in the international BIO conference, which represents more than 1,100 biotechnology businesses, academic institutions, state biotechnology centers and related organizations across the U.S. and in more than 30 other nations.
- **Engagement** – Outreaches to industry significantly increased through one on one meetings. More than 770 businesses were engaged in 2017.
- **Biotechnology Investment Incentive Tax Credit (BIITC)** – In FY 17, biohealth and life sciences businesses received \$17.3 million through grant and tax credit programs managed by Commerce. Of the \$17.3 million, 24 qualified businesses were assisted, with 164 investor applications approved resulting in \$12 million in tax credits issued and leveraging \$24 million.

- **Business Successes** – Three key examples of life sciences expansions over the past year included:
 - GSK Rockville BioPharmaceutical – \$140 million, 200,000-square-foot manufacturing expansion with 120 new jobs arriving in 2018. This will bring total GSK employment, including the Global Vaccines headquarters, to over 1,000 in Maryland.
 - Viela Bio – a 100-new job spin-out of MedImmune, one of Maryland’s largest life sciences businesses and the global biologics research and development arm of AstraZeneca. The focus is on advancing a number of MedImmune’s potential autoimmune and inflammatory medicines, making Viela Bio a leading biotech business in Maryland.
 - Paragon Bioservices – Planned growth of 225 employees to over 425 in the next three years as it expands in the University of Maryland BioPark and a new manufacturing space.

Agribusiness

- **Aquaculture Coordinating Council** – Served on council to advance and support industry within the state.
- **Special Events for the Industry** – Promoted and participated in various events around the



state, including Farm, Fish, Food (F3) symposiums, Rural Maryland Council (RMC)’s 2017 Rural Summit, Maryland’s Best Buyer and Grower Expo, and the Maryland Farm Bureau Convention.

- **Lanco-Pennland Cheese** – Facilitated a \$225,000 MEDAAF Loan and \$253,000 More Jobs for Marylanders Program benefit of for an expansion and creation of 64 new jobs.

Military Affairs

- **Defense-Related Business Diversification** – Secured a \$1.7 million federal grant to implement programming to diversify the defense supply chain. Programming included:
 - Created a Maryland Defense Network one-stop shop resource for Maryland defense contractors to identify new opportunities.
 - Established the Maryland Defense Diversification Assistance (MDDA) program for defense dependent contractors interested in commercialization.
 - Initiated four MOUs with U.S. Army Research, Development and Engineering Command (RDECOM) defense laboratories to partner on the DefTech commercialization center with Harford and Cecil Counties.
 - Established an accelerator workshop for southern Maryland’s Crab Pot Pitch Competition to support entrepreneurs with business pitches.
 - Initiated development of a southern Maryland Online Innovation Portal as a one-stop resource for entrepreneurs, innovators, and defense contractors.
 - Expanded the Maryland Patents Database to include APG labs patents and conducted a patent analysis of potential Army patents for commercialization.
 - Awarded a contract for a technology-focused regional strategic plan for southern Maryland through engagement with regional stakeholders.
- **Statewide Joint Land Use Study (JLUS)** – Secured a \$179,000 federal grant for a state level JLUS to increase land use compatibility with Maryland defense communities.



- **Base Realignment and Closure (BRAC)** - Convened BRAC Advisory Group (BAG) meetings and coordinated with Governor’s and Lt. Governor’s offices along with Congressional staff.
- **Alliance Advocacy** – Assisted in the coordination of a Military Alliance hosted state legislative luncheon to raise awareness of the economic impact of Maryland’s military installations and encourage engagement with installations.
- **Senior Military Commander Meetings** – Conducted two military commander meetings and planned for ongoing intelligence meetings with installation senior leadership.
- **Closed Military Facilities** – Supported the PENMAR Development Corporation in the transfer of the former Fort Ritchie to Washington County for redevelopment.
- **Military Installation Partnerships** – Engaged the Maryland Congressional Delegation and the DoD to move toward a resolution in support of an intergovernmental service agreement between APG and Harford County.
- **Federal Labs and Universities Research and Development Technology Transfer** – Expanded relationships with four Navy and four Army Technology Transfer Offices and expanded analysis of commercialization capabilities from southern Maryland to northeast Maryland as part of a federally funded pilot program.
- **Military Personnel and Veteran-owned Small Business Loan Program (MPVSBLP)** – Provided \$200,000 to four projects, retaining 14 jobs and creating 26 in FY17. Total amount from FY15-17 reached \$714,000 for 16 projects, retaining 61 jobs and creating 121 jobs.

Civilian Federal Agencies

- **Federal Facility Relocation and Expansion** – The U.S. Citizenship and Immigration Services announced the relocation and consolidation of its \$265 million headquarters building in Camp Springs. The 570,000 square-foot facility will house 3,600 employees. Additionally, the U.S. Census Bureau is leasing properties and adding jobs in the region in preparation for the 2020 census.
- **Civilian Federal Agency Action Plan** – Coordinated federal agency outreach with Commerce industry teams and local economic development offices.
- **Small Business Assistance** – Connected small businesses to contracting opportunities and assistance programs through the Business to Government website, group presentations and referrals to Commerce industry teams. More than 350 businesses were served through these resources and activities.

Aerospace

- **Industry Event Participation** – Grew the Maryland brand through participation in the Space Symposium in Colorado; in partnership with UMCP created a State Pavilion highlighting Maryland’s leadership in unmanned autonomous

systems at the Association of Unmanned Vehicles Systems International (AUVSI) Conference in Texas; and supported a trade delegation led by the Governor to the Paris Air Show. Commerce also sponsored the Goddard Space Flight Center Annual Reception at the National Air and Space Museum.

- **Engagement** – Outreaches to industry more than doubled from 59 in 2016 to 132 in 2017. Outreaches led to a comprehensive understanding of the complex aerospace industry of aviation, space and unmanned systems.
- **Growth and Attraction** – In partnership with the University of Maryland Unmanned Autonomous Systems (UAS) Test Site, responded to an RFP from the Federal Aviation Administration (FAA) for a UAS Initial Pilot Program. Commerce is also supporting the Cumberland Regional Airport and the Appalachian Regional Commission in investigating opportunities for creating autonomous vehicle test site at this airport.

Professional Services/Capital Development

- **Community Banking Roundtable** – Held roundtables on Commerce’s Maryland Industrial Development Financing Authority (MIDFA) program to elevate awareness and engage key

financial institutions. As a result, applications have increased 300 percent over 2016 and spurred renewed interest in Commerce’s finance and tax incentive programs.

- **Secretary’s Banking Roundtable** – Hosted an informal roundtable to gather input from leading banking professionals on Commerce programs, customer service, and Maryland’s potential for economic growth.
- **Money, Markets, Management and Mentors (4M)** – Sponsored and collaborated on the development of 4M, a connectivity platform for the startup and investment communities to share information and develop collaborations. Launch planned for 2018.

Growing Maryland’s Global Footprint

- **Global Consulting Program** – Based on the success of a partnership with the Center for International Business Education and Research (CIBER) at the Smith School at UMCP, CIBER now offers a permanent program to assist businesses in research, talent, and executive training to support entry in the global marketplace.
- **U.S. Small Business Administration (SBA) State Trade and Export Promotion Program (STEP) Grant** – An increased award of these federal funds totaling \$1.9 million during FY16 through FY18 boosted the State’s global outreach efforts, opened new markets for Maryland exporters, and supported international trade show participation.
- **Export Sales** - Since January 2015, Maryland businesses have reported over \$284 million in increased export sales as a direct result of assistance provided by Commerce and overseas representatives. In FY17, \$100 million in export sales was a result from Commerce assistance.
- **Global Networking** – Engaged 379 international businesses in 2017 who made 17 investments in Maryland. 39 foreign prospects visited Maryland in 2017 as a result of Commerce’s 87 marketing outreach activities to foreign businesses.
- **ExportMD** – Increased the number of travel grants awarded (\$5,000-\$10,000) to small businesses from 123 to 165 to support overseas marketing of products and services. ExportMD

grants were instrumental in assisting a number of small and mid-size businesses participate in joining Commerce at Arab Health 2017 and MEDICA 2017.

- **International Missions** – Commerce led delegations of Maryland businesses to various industry shows around the world, including Arab Health 2017 in Dubai, MEDICA in Dusseldorf, Germany; and the Singapore Air Show.
- **Governor’s Trade Missions** – Successfully executed Governor’s trade and investment missions to France, the United Kingdom, and Canada, in addition to the First Lady’s mission to South Korea and the Lt. Governor’s trade and diplomatic mission to Europe.
- **Export Asset Mapping Project** – Began identifying funding sources to manage the export resources asset-mapping project.
- **Foreign Direct Investment (FDI) Strategy** – Identifying funding sources for implementation phase. Since January 2015, 39 foreign owned businesses have established Maryland locations.
- **Foreign Capital to Public, Private and Public/Private Partnerships (P3) priority projects** – Provided ongoing referrals as requested.
- **Commerce’s Foreign offices** – Opened a new office in the United Kingdom bringing the total of Maryland foreign offices to 18.
- **Governor’s International Advisory Council** – Discussions underway to create a Workgroup under the Governor’s Subcabinet for International Affairs.
- **Introduce Foreign Investors to Maryland Investors for Joint Ventures** – Discussions occurred with Maryland’s professional services businesses, merger and acquisition consultants, local jurisdictions, and industry associations to introduce partnerships.
- **International Tourism** – To help develop international tourism to the state, Korean Tour Operators were hosted targeting the Asia and Korean markets. Commerce is completing a suite of “native” videos that will be posted on the Korean Brand USA website. Additional promotional opportunities are underway with our partners in this market.



**MARYLAND IS MARKETING GLOBALLY WITH 18 FOREIGN OFFICES
PROMOTING THE STATE AND REACHING INTERNATIONAL
CUSTOMERS. MARYLAND BUSINESSES CAN GROW BY LOOKING NOT
JUST DOMESTICALLY BUT ALSO GLOBALLY. HELPING BUSINESSES
PENETRATE THE INTERNATIONAL MARKETPLACE WILL HELP ENSURE
THAT MARYLAND'S ECONOMY WILL CONTINUE TO GROW.**

BIO, 2017



Paris Air Show, 2017



Goal #5:

Create One Maryland and Enhance Community Development

In 2017, expansions, retentions, and new projects were announced in industry sectors ranging from distribution, cybersecurity, corporate and regional headquarters, manufacturing, research and development, pharmaceutical, biotech, food processing, defense, and government contracting. Maryland is truly “Open for Business.”

Commerce competed nationally for a number of attraction projects ranging from corporate relocations and site location decisions in the information technology, agribusiness, distribution, and advanced technology industries. The largest and most public was the search for Amazon’s second headquarters, dubbed Amazon HQ2, which could yield 50,000 new jobs and a \$5 billion investment. Montgomery County, Maryland was selected as a finalist site for the Amazon HQ2.

Regional Focus

- **Regional Development Team** - 12-member regional development team, responsible for a defined territory, increasing business community outreach and serving a dedicated local point person.
- **Measurements**
 - 2,377 businesses were engaged by regional growth and retention team through direct and group outreaches, an increase of 128 percent from 2016 to 2017.
 - In 2017, over 1,928 one-on-one meetings were held with business owners, 192 percent increase from 2016.
 - Continued cold call program resulting in connecting with 2,294 businesses, an increase of 138 percent from 2016.
 - Advanced outreach to Commerce’s Platinum 500 list of businesses, which includes the largest and most strategic customers by county. At the end of 2017, 473 of the Platinum 500 customers had been reached since the inception of the program.
- Accelerated the Milestone Recognition Program for acknowledgment of business anniversaries and openings. In 2017, 176 Secretary citations were presented across the state.
- **Rural Broadband** – Participated in the Governor-appointed 2017 Task Force on Rural Internet, Broadband, Wireless, & Cellular playing a central role in formulating next steps, engaging state agencies, local jurisdictions and industry. Served as project lead for a creative solution including a matching funding source for the extension of broadband fiber to job centers in Western Maryland and identified opportunities on the Eastern Shore. Commerce also presented a Small Cell Forum to begin the discussion of this internet solution and the future of 5G to assist and support businesses and local jurisdictions.

- **Enterprise Zones** – In 2017, Commerce approved redesignation and expansion of five enterprise zones in the state. Talbot County and the Town of Easton, Anne Arundel County, and Montgomery County’s Burtonsville and Briggs Chaney areas were designated as new enterprise zones. Additionally, Southern Garrett County’s enterprise zone was redesignated, and Cecil County and Town of Perryville enterprise zone was expanded.
- **Regional Institution Strategic Enterprise (RISE) Zones** – Approved a RISE zone around UMBC’s research and technology park, bwtech@UMBC. UMBC plans to use the five-year designation to support adding 100,000 square feet of leasable space to technology-related businesses, a project the university expects will create approximately 250 high-tech and cybersecurity jobs. Additionally, a RISE zone was approved around the UMCP campus. Businesses in targeted industries, including engineering, cybersecurity, additive manufacturing, aerospace, and biotechnology, among others, will be eligible to receive increased incentives.

Small Minority and Women-Owned Businesses

- **Small Business Engagement** – In 2017, Commerce provided assistance to 1,130 small businesses, an increase of 215% over 2016.
- **Management of the Maryland Small, Minority, and Women-Owned Businesses Account -Video Lottery Terminal Fund (VLT)** – In FY17, Commerce VLT Fund Managers approved \$11,178,500 in loans and investments to 102 small, minority, and women-owned businesses projecting

to create and retain 1,654 jobs. This fund has fueled nearly \$466 million in economic activity over the last three fiscal years, according to an economic impact analysis by the Regional Economic Studies Institute (RESI) at Towson University. RESI determined that over the same period (FY2014-FY2017), the program led to the creation of 3,059 new jobs in Maryland, with total wages of more than \$159 million.

Non-Profit Support

- **Nonprofit, Interest-Free, Micro Bridge Loan Account (NIMBL)** – In partnership with the Maryland Nonprofit Development Center, Commerce launched NIMBL, a short-term, interest free, micro bridge loan fund providing up to \$25,000 to qualifying non-profits between the award date of a government grant or contract and the actual receipt of those funds for operational support.

Business Recruitment

- **Outreach** – The Department identified nearly 100 new out-of-state business attraction opportunities in 2017, of which 12 have successfully closed and approximately 50 remain active.
- **Site Location Decision Maker Engagement** – Participated at conferences held by CoreNet Global, Site Selectors Guild, International Asset Management Council, and International Council of Shopping Centers with the goal of building relationships with national corporate real estate decision makers and identifying new business attraction opportunities.

Major Business Wins

2017 was a stellar year with 150 successful business attraction, expansion and retention projects announced by Commerce. These projects represented 6,660 new jobs and 6,034 retained jobs for a total of 12,694. The team worked aggressively to capture new and expanding businesses ranging from distribution, manufacturing, cybersecurity, regional and corporate headquarters, government contracting, food processing, pharmaceutical, and biotechnology.



Growing the Arts

- **Talent** – Successfully attracted a new Executive Director of the Maryland State Arts Council (MSAC) to steer development and expand the arts throughout the state.
- **Arts and Entertainment (A&E) Districts** – Increased the number of A&E Districts to 25 with the designation of the Oakland Renaissance A&E District. These districts are spread across 15 jurisdictions and Baltimore City to spur economic revitalization and leverage the arts toward community-driven, creative placemaking goals. The FY 2016 economic impact study released in 2017 shows that A&E Districts collectively supported \$855.8 million in state Gross Domestic Product (GDP), approximately \$63.5 million in state and local tax revenues, and 8,594 jobs that paid nearly \$267 million in wages.
- **Maryland Traditions Program** – Supported the selection of Maryland serving as host of the 2018-2020 National Folk Festival, the oldest, longest-running

multicultural traditional arts celebration in the country. Salisbury was selected by the National Council for the Traditional Arts (NCTA) from a field of 34 cities across the nation and will be the 29th city to host the prestigious event since its inception in 1934.

- **Public Art Project (PAP) Grants** – Awarded \$24,800 in FY17 PAP Grants to promote the statewide infrastructure for public art.
- **Promotion of the Arts to Support Innovation and STEAM (Science, Technology, Engineering, Arts, and Mathematics)** – The Maryland State Arts Council increased funding to more than \$13 million for 268 art organizations and programs. These programs helped support innovation and entrepreneurship programs across the state, inspiring almost 121,000 students in 559 schools.





Goal #6:

Improve the Maryland Brand

The Maryland Marketing Partnership (MMP) advertising and marketing campaign is up and running, working to promote the many advantages of doing business in Maryland and touting the state as “Open for Business.”

Maryland continues to be an outstanding cultural and tourism destination. The state welcomed more than 40 million visitors in 2015 and visitor spending climbed to \$16.8 billion. Helping to drive the increase in visitors is the expansion of the state’s marketing footprint to Pennsylvania, Ohio, and New York, as well as major tourism events like Light City Baltimore and Maryland Fleet Week and Air Show.

Maryland Public Private Partnership (P3) Maryland Marketing Partnership (MMP)

- **Advertising and Media Campaign** – Launched “Open for Business” branding campaign in 2017 with heavy in-state presence, including placements at Baltimore-Washington Thurgood Marshall Airport, billboards around the state, select business publications, targeted digital ads, and news radio. The 2018 media plan significantly expands the campaign’s out-of-state reach, with planned placements in key national business publications like the *Wall Street Journal* and *Inc.*, as well as strategic digital targeting in key geographic areas around the nation. Cybersecurity and information technology, advanced manufacturing, biohealth and life sciences, and financial services are among the targeted industries.
- **Maryland Governor’s Business Summit** – A successful inaugural event in May 2017 drew nearly 700 attendees. The summit highlighted business successes, supported business connections, and amplified the state’s branding message.
- **MMP Financial Sustainability** – In addition to appropriated state funds, the MMP secured more than \$4 million to date in contributions from organizations and private sector businesses, phased as 3-5 year commitments, to support the marketing efforts.

Tourism, Film and the Arts

- **Harriet Tubman Underground Railroad** – Partnered with national, state, and local entities to open the Harriet Tubman Underground Railroad Visitor Center. The Center includes a Maryland State Park and a National Park and is a complement to the existing Harriet Tubman Underground Railroad Byway. Opening ceremony weekend included a ribbon-cutting by the Governor which garnered a media relations equivalent value of more than \$3.5 million. In its first year of operations, the National Park Service recorded over 100,000 visitors, far exceeding the original projection of 75,000 visitors.
- **Maryland Crab and Oyster Trail** – Launched the Governor’s new initiative focused on promoting Maryland’s outstanding seafood to domestic and international travelers. The Maryland Crab and Oyster Trail got under way in celebration of National Seafood Month in October. It features a virtual tour highlighting more than 100 seafood restaurants and seafood festivals held throughout the state during the month.
- **International Markets Expansion** – Expanded efforts with BrandUSA on International Marketing Efforts in Korea and Canada.
 - Hosted Korean Tour Operators and began suite of videos that will be on the Korean Brand USA website.

- Supported Governor in a Capital Region tourism and economic development mission to Canada.
- **Micro-Industries** – Participated in and continued to support micro-industries through participation in Reform on Tap Taskforce and the Baseball & Brew initiative in partnership with Brewers Association of Maryland and the Maryland Comptroller's Office. Collaborated with micro-industries (breweries, distilleries and wineries) through promotions to encourage travel for craft beer sampling across the state in February (FeBREWary) and wine in March (Maryland Wine Month).
- **Youth Travel Conference** – Collaborated with the Student and Youth Travel Association's (SYTA) Annual Conference to highlight Baltimore and state's attractions, accommodations, and services that cater to the student market.
- **Celebrating Maryland's Role in the Life of Frederick Douglass in 2018** – Supported the Governor's declaration of 2018 as the "Year of Frederick Douglass" in honor of the 200th anniversary of the birth of Frederick Douglass, a Maryland native abolitionist, father of the civil rights movement and statesman. The declaration included the unveiling of new state driving tour and support of dedication of the Frederick Douglass Park on the Tuckahoe River.
- **Maryland's Quality of Life Tourism, Arts and Revitalization Regional Meetings** – Organized tourism and arts regional meetings with county and local organizations seeking to promote tourism and arts to support economic vitality to jurisdictions.
- **Maryland Fleet Week and Air Show 2018** – In collaboration with tourism partners, Commerce began planning support for the production of the 2018 Maryland Fleet Week and Air Show in Baltimore. The 2016 show drew an estimated 300,000 visitors to Baltimore, generating \$27.88 million in economic impact.
- **Light City Baltimore** – Sponsored Light City Baltimore which drew over 400,000 attendees over the course of 10 days.
- **Mid-Atlantic Tourism Public Relations Alliance** – Hosted an annual conference to raise brand identity and destination.
- **Maryland Welcomes the World** – Hosted an event at National Harbor as part of the annual International Pow Wow (IPW) trade show and conference to maximize exposure and showcase the state.
- **Visitor Count** – Welcomed 42 million visitors in 2016, up from 40.5 million in 2015 and 38.2 million in 2014.
- **Tourism Spending** – Visitors to Maryland spent nearly \$17.3 billion on travel expenses in 2016, an increase from \$17 billion in 2015. Hotel sales tax revenue increased by \$16.7 million as reported in June 2016.
- **Film** – Retained the film production of the Netflix show *House of Cards* in Maryland for its sixth and final season. The combined economic impact of the show's first five seasons exceeds \$594 million. *House of Cards* hired over 2,000 Marylanders per season, directly bought or rented goods or services from an average of 2,134 Maryland businesses per season.
- **Arts** – MSAC launched a new monthly newsletter disseminating information to 18,000 constituents, sharing local event details and funding opportunities to expand the impact of Maryland's creative economy. MSAC also celebrated its 50th anniversary with a series of arts celebrations throughout the state in collaboration with local arts organizations.



Strategic Plan Progress Report 2018

GOALS AND HIGHLIGHTS			SCORE	2016	2017
GOAL 1: ACHIEVE OPERATIONAL EXCELLENCE			E E		
• Led and executed the Governor's Customer Service Initiative in Commerce and in 39 state agencies; created the Governor's Customer Service Heroes Program; and established a master customer service training contract.					
• Created and implemented a statewide survey resulting in over 20,000 responses; the overall 80% customer satisfaction rating assisted with establishing process improvements for agencies.					
• Implemented several internal and external process improvements to simplify and enhance the customer's experience in Commerce's financing programs.					
GOAL 2: FOSTER A COMPETITIVE BUSINESS CLIMATE			P P		
• Statutory landmark incentives to aid in the attraction of Amazon HQ2 to Maryland.					
• Secured \$1 million for the second year in a row for the Partnership for Workforce Quality (PWQ) training program.					
• Restructured and enhanced the Cybersecurity Investment Incentive Tax Credit. Additionally, a new incentive was established by creating a tax credit for businesses purchasing cyber technologies and cyber services from Maryland cybersecurity businesses.					
• Secured \$25 million in MEDAAF funding to attract and retain jobs, and \$12 million for the Biotechnology Investment Incentive Tax Credit.					
GOAL 3: ADVANCE INNOVATION AND ENTREPRENEURSHIP			P P		
Education and Innovation					
• Coordinated and marketed the Maryland WorkSmart program leading to 31 businesses in active negotiations for job training programs.					
• Launched the Internship Network of Maryland (InMID) in partnership with the Maryland Technology Council (MTC) to attract talent, create a workforce pipeline, and meet specific industry needs.					
• Leveraged \$37.7 million in private donations to grow research at universities and colleges with \$8 million in funding (\$31.3 million total to date) through the Maryland E-Innovation Program.					
GOAL 4: EXPAND TARGETED INDUSTRIES			P P		
Manufacturing					
• Established the Maryland Manufacturing Advisory Board to identify support for talent, startups, expansions, and attractions.					
• Marketed the new More Jobs for Marylanders program through events around the state, generating interest from more than 70 companies potentially creating 450 jobs in the first six months of the program.					
• Promoted and assisted businesses in applying for the recapitalized PWQ program to boost the state's skilled workforce.					
• Collaborated with the Maryland Manufacturing Extension Program (MEP) to create and retain 707 manufacturing jobs.					
Energy and Environment			I I		
• Engaged industries in the interagency coordination of the Governor's Sustainable Materials Management Executive Order and its Sustainability Marketing Workgroup.					
• In collaboration with Maryland Energy Administration (MEA), organized a strategy to attract more data centers and worked to position Maryland as the offshore wind manufacturing hub for the East Coast.					
• Supported the Maryland Electric Vehicle Infrastructure Council (EVIC) in evaluation, recommendation, and promotion of incentives for electric vehicles.					
Cybersecurity			P P		
• Launched the Maryland Cybersecurity Asset Map – an online portal of over 1,300 strategic cybersecurity assets.					
• Doubled the number of outreaches to industry through initiatives such as the Chief Information Security Officer Roundtable; hosted events at the National Cybersecurity Center of Excellence (NCCoE); and engaged with the Health Information Management Systems Society.					
• Promoted international cybersecurity cooperation with the first exchange of the United Kingdom Midlands Engine and Maryland cybersecurity businesses and the Governor's signing of a Memorandum of Understanding (MOU) recognizing emerging international collaboration.					
BioHealth and Life Sciences			P P		
• Supported the Life Sciences Advisory Board (LSAB) in the adoption and implementation of a strategic plan to accelerate growth of the industry leading to rebranding, expanded outreach, new website and marketing materials, reinvigorated social media campaign, and initiation of a newsletter.					
• Supported the Governor's public/private Excel Maryland initiative to spur innovation driven commercial activity, with a special focus on the biohealth and life sciences and cybersecurity industries.					
• Launched the Fischell Institute for Biomedical Devices with partners University of Maryland College Park, University of Maryland Baltimore, and the Center for Maryland Advanced Ventures, spurring an investment of \$1 million in life sciences startups in addition to attracting \$2 million to the National Institute for Innovation of Manufacturing Biopharmaceuticals (NIMBL).					
Agribusiness			P P		
• Promoted and participated in three symposiums focusing on new technologies in Farm, Fish, Food (F3) and advancing in state food production.					
• Sponsored programs and participated with Maryland Department of Agriculture (MDA) to engage buyers and food producers to improve the food distribution system.					
• Assisted agribusiness firms with resources to expand in the state, including Lanco-Pennland Cheese with a \$225,000 MEDAAF Loan and More Jobs for Marylanders Program tax credit for their expansion and creation of 64 new agribusiness jobs.					
Military Affairs			E E		
• Secured a \$1.76 million federal grant resulting in a Maryland Defense Network one-stop shop resource; a Technology Commercialization Center; Diversification Assistance Program, and an expanded Patents Database.					
• Secured a \$179,000 federal grant for a state level Joint Land Use Study to increase land use compatibility with Maryland defense communities.					
• Advanced an intergovernmental service agreement between Aberdeen Proving Ground and Harford County through engagement with the Department of Defense.					
• Initiated a federally-funded Technology Transfer Pilot Program to analyze federal commercialization capabilities from southern Maryland to northeast Maryland.					

GOALS AND HIGHLIGHTS			SCORE	2016	2017
Civilian Federal Agencies			P	E	
<ul style="list-style-type: none">Implemented a Civilian Federal Agency Action Plan by coordinating outreach with federal agencies with industry teams and local economic development offices.Assisted over 350 businesses with contracting opportunities and programs through the business to government website, group presentations, and referrals to industry teams.					
Aerospace			P	P	
<ul style="list-style-type: none">Branded Maryland space and unmanned vehicles systems assets at the Space Symposium, Association of Unmanned Vehicles Systems International Conference, and the Paris Air Show.More than doubled the outreach to the defense and aerospace industries.Responded to a national request for proposal (RFP) from the Federal Aviation Administration for an unmanned aerial systems pilot program.					
Professional Services/Capital Development			I	P	
<ul style="list-style-type: none">Held Maryland Industrial Development Financing Authority (MIDFA) Program Roundtables to elevate awareness of the program, resulting in increased applications and renewed interest in finance and tax incentive programs.Hosted an Informal Banking Professionals Roundtable to support and engage the state's financial institutions.Launched Innovation Connection to connect Maryland's large corporations with early-stage businesses.Initiated a collaboration of a Money, Markets, Management and Mentors (4M) connectivity platform to share information and advance collaborations.					
International			E	E	
<ul style="list-style-type: none">Opened the newest Maryland international office in the United Kingdom bringing the total of Maryland foreign offices to 18.Resulting from Commerce's assistance, Maryland businesses reaped \$100 million in export sales in 2017.Commerce international engagement resulted in 39 foreign-owned businesses establishing Maryland locations with 17 separate investments.					
GOAL 5. CREATE ONE MARYLAND			E	E	
Regional Focus					
<ul style="list-style-type: none">Regional development team held nearly 2,000 one-on-one meetings with business owners to directly engage and interact with businesses, a 192% increase from 2016.Reached 473 businesses of the state's Platinum 500 outreach program, engaging the most strategic customers by county.Played an integral role in the Governor's Task Force on Rural Internet, Broadband, Wireless, & Cellular and interagency coordination resulting in creative solutions for the extension of broadband fiber to assist businesses, create jobs, and support communities.Announced 150 successful business attraction, expansion, and retention projects representing a total of 12,694 jobs, comprised of 6,600 new and 6,034 retained jobs.			P	E	
Small Minority and Women-Owned Businesses					
<ul style="list-style-type: none">Assisted 1,130 small businesses, an increase of 215% over 2016 and participated in 83 group outreaches to small business constituencies, a 188% increase.Assisted 816 calls and cases by small businesses, a 98% increase, and resolved over 855 issues for small businesses, an increase of 113%.Managed the Maryland Small, Minority, and Women-Owned Businesses Loan Program-Video Lottery Terminal Fund (VLT) approving \$11,178,500 in loans and investments to 102 small, minority, and women-owned businesses projecting to create and retain 1,654 jobs.			E	E	
GOAL 6. IMPROVE BRAND AND TALENT					
Maryland Public-Private Partnership (P3) Maryland Marketing Partnership (MMP)			E	E	
<ul style="list-style-type: none">Launched the Maryland "Open for Business" branding campaign.Held the inaugural Governor's Business Summit attracting over 700 participants.Raised a total of \$4 million to date in contributions from private-sector businesses and organizations, phased as 3-5 year commitments to support the MMP efforts.					
Tourism Film and the Arts			E	E	
<ul style="list-style-type: none">Welcomed a record 42 million visitors to Maryland spending \$17.3 billion in the state.Worked with national, state, and local entities to open the Harriet Tubman Underground Railroad Visitor Center.Initiated partnerships to commemorate the bicentennial of the birth of Frederick Douglass resulting in the announcement of the Frederick Douglass Driving Tour and supporting efforts in the dedication of the Frederick Douglass Park on the Tuckahoe River.Expanded international marketing efforts in targeted countries such as Canada and Korea; Maryland served as the host of the International Pow Wow (IPW), the global international tourism conference.					

MEMBERSHIP OF THE MARYLAND ECONOMIC DEVELOPMENT COMMISSION (MEDC)

The MEDC is comprised of 25 voting members who are appointed by the Governor, the Senate President, and the Speaker of the House. Additionally, there are two non-voting appointed legislative members, one each from the House and the Senate, and four non-voting ex officio members representing state agencies. The gubernatorial and legislatively appointed MEDC will continue to oversee the Department of Commerce’s implementation of the strategic plan.

Members

- Anirban Basu; Chairman, CEO, Sage Policy Group, Inc.
- Martin Brunk, CPA; Vice-Chair; Office Managing Partner, RSM US, LLP
- Kenneth R. Banks; President, CEO and Founder, Banks Contracting Company, Inc.
- Howard B. Bowen; CEO, Ewing Oil Company
- Scott Burger; former President, Pandora
- James T. Brady; Chair, the University System of Maryland Board of Regents, and former Secretary of Maryland Department of Business and Economic Development
- J. Edward Coleman; Board Member, Ciox Health
- Annemarie Dickerson; Owner, Francis Scott Key Family Resort
- Edward M. Dunn; CEO, American Mechanical Services
- Joshua Greene; Vice President, A.O. Smith Corporation
- Kai Hirabayashi; Senior Government Affairs Representative, Caterpillar, Inc.
- Martin Knott, Jr.; CEO, Knott Mechanical, Inc.
- Manish Kothari; President/CEO, Sheladia Associates, Inc.
- Julie Lenzer; Associate Vice President, Economic Development, Co-Director, UM Ventures
- Aris Melissaratos; Dean, Brown School of Business and Leadership, Stevenson University, and former Secretary of Maryland Department of Department of Business and Economic Development
- Michael Miller; President, OGOS Energy, LLC
- Laura Neuman; Entrepreneur
- Jeanette Glose Partlow; President, Maryland Chemical Company
- Elizabeth Rendón-Sherman; CEO/CFO, LG-TEK
- Brian C. Rogers; Chairman and CIO, T.Rowe Price Group
- Susan Schwab; Professor, University of Maryland and Strategic Advisor, Mayer Brown, LLP
- Brenda Friend; Executive Director, The Greater Cumberland Committee
- Robert L. Wallace; President and CEO, BITHGROUP Technologies
- J. Blacklock Wills, Jr.; Chairman, President and CEO of The Wills Group, Inc.
- Dr. Margaret Wood; CEO/President, WOOD Consulting Services, Inc.

Non-voting ex-officio Members

- R. Michael Gill; Secretary of Maryland Department of Commerce
- Benjamin F. Kramer; House of Delegates, District 19, Montgomery County
- Brian J. Feldman; Senate, District 15, Montgomery County
- Kelly Schulz; Secretary of Maryland Department of Labor, Licensing and Regulation (DLLR)
- Robert Brennan; Executive Director of Maryland Economic Development Corporation (MEDCO)
- George Davis; CEO, Maryland Technology Development Corporation (TEDCO)



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MARYLAND

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