



March 9, 2020
Governor's Reception Room, 100 State Circle, Annapolis
12:00pm – 2:00pm
Minutes

Commissioners in attendance:

Anirban Basu	MEDC Chair, Sage Policy Group
Marty Brunk	MEDC Vice Chair, RSM
Howard Blackwell Bowen	Ewing Oil Company, Inc.
Scott Burger	Lolli & Pops (call in)
Ed Coleman	Ciox Health
Julie Lenzer	UM Ventures
Jeanette Glose Partlow	Maryland Chemical Company, Inc.
Elizabeth Rendón-Sherman	LG-TEK (call in)
Robert Wallace	BITHGROUP Technologies (call in)
J. Blacklock Wills	The Wills Group
Margaret Wood	WOOD Consulting

Ex-Officio Members:

Secretary Kelly Schulz	Department of Commerce
Secretary Tiffany Robinson	Department of Labor
Linda Singh	Maryland Technology Development Corporation (TEDCO)
Brian Feldman	Senator, District 15, Montgomery County

Guests:

Allison Mayer	Office of the Governor
Meredith Wimbrow	Office of the Governor
Claire Broido Johnson	Maryland Momentum Fund
Tom Sadowski	University System of Maryland
Pauleesha Rivera	WOOD Consulting

Commerce Staff:

Julie Woepke	MEDC Executive Director
Signe Pringle	Assistant Secretary
Tom Riford	Assistant Secretary
Rhonda Ray	Managing Director
Jayson Knott	Senior Director
Jennifer LaHatte	Director, Policy & Program Development
Nancy McCrea	Director of Research
Mike Siers	Economist
Kyle McColgan	Special Advisor

I. Call to Order

Chairman Basu called the meeting to order at 12:00pm and welcomed attendees and guests.

II. Chairman's Updates

Chairman Basu began his remarks by stating that Maryland is currently at its best and given its institutional strength and Federal contracting advantage, the State will be more insulated as a recession occurs. He indicated that leisure, hospitality and energy sectors will be most affected. Pointing to the higher minimum wage rates, he stated industries impacted by a recession will accelerate layoffs. He questioned the proposed legislation to increase sales tax on luxury items when these goods and travel are more susceptible to not being purchased during a recession.

III. Consent Agenda

Upon a motion duly made and seconded, the minutes of the December 9, 2019 meeting were approved. Chairman Basu reported that in preparation of the annual meeting attendance to the Governor's Office, it was identified that a Commissioner had connected via conference phone to two (2) of the 2019 meetings necessitating the re-approval on the minutes. Upon a motion duly made and seconded, corrected minutes of the June 13, 2019 Meeting and September 17, 2019 meetings were re-approved.

IV. Commerce Secretary Update

Secretary Kelly Schulz addressed the Commission and reported that with the recent hire of an economist, the Department will be watching closely to economic indicators in light of the global coronavirus (COVID-19) pandemic and impact to the marketplace and industries. Secretary Schulz announced that in FY20, the Department would celebrate and promote entrepreneurship in every industry sector. She referenced that there will be an upcoming marketing announcement related to biotechnology, life sciences, cybersecurity and quantum computing.

With respect to the impact of COVID-19, she stated the Department is preparing in advance. Telecommuting policies will be in effect. The Department is closely evaluating whether to participate in out of state and international travel for trade shows and missions. She referenced the impact to the Department budget on canceled trips, deposits, and reimbursements from the Federal government related to travel associated with programs. Secretary Schulz reported that the Governor has been proactively addressing the pandemic related to funding for testing, resources for businesses and residents, educating the public and coordinating with Governors nationally.

Secretary Schulz continued to state that 11% of the traffic to the Port of Baltimore arrives from China. Shipments from China have declined, affecting hourly workers and delaying the delivery of components and goods. She stated that Maryland is less impacted than other east coast ports. She added that cruise ship activity will also be impacted. She assured the Commission that 68% of Maryland tourists arrive by vehicle. Secretary Schulz discussed that additional events, activities, educational institutions and businesses that may be impacted.

The floor was open to Commissioners to continue the discussion on the COVID-19 impacts and provide the Secretary with feedback related to their industries.

Chairman Basu predicted that there will be a hiring slowdown and it will not pick up until April or May. He referenced that the Federal government would need to step in with an infrastructure stimulus program similar to initiatives taken during the 2009 Recession. Maryland was prepared then to access the Federal

funds and remains prepared if funds become available to support infrastructure projects. All agreed on the need to keep the public informed on the emerging pandemic. (A handout produced by J.P. Morgan was referenced and is on file.)

Secretary Schulz then introduced Rhonda Ray, Managing Director, Office of Public Policy and Research who provided an update on the Departmental Bill HB851/SB26 – Partnership for Workforce Quality (PWQ) program amendments that would modernize the program to meet the needs of businesses. She then addressed a number of Bills that seek to eliminate the Department Tax Credit programs, thus affecting the State’s competitiveness to attract, grow and retain jobs.

Ms. Jennifer LaHatte addressed the Commission to review the Department’s FY21 Operating Budget and its status as the budget is reviewed by Legislative Committees. (See attachment on file.)

Dr. Linda Singh then addressed several pieces of legislation related to TEDCO and the Maryland Technology Infrastructure Program, Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs. Senator Feldman referenced he is sponsoring several of the bills and is working diligently to continue to support businesses and innovation.

Mr. Jayson Knott, Senior Director, Office of Business Development and Business Services addressed the Commission and provided an update to the business development activity. He reviewed recent and pending wins, and new and ongoing open opportunities. He referenced that while the Department’s list of opportunities is growing, businesses are taking longer to make facility decisions. He added that the Department is engaged in the process earlier than in previous years. (Presentation on file.)

V. Momentum Fund

Ms. Claire Broido Johnson, Managing Director of the Maryland Momentum Fund addressed the Commission and provided an overview of the Fund. The \$10M Fund was established by the University System of Maryland (USM) Board of Regents in June of 2016 with investments starting in mid-2017. The purpose of the Fund is to invest in the most promising USM-affiliated technologies and people. She provided her background and experience in investing in businesses and as a business owner who is passionate about growing Maryland’s entrepreneurial ecosystem.

Ms. Broido Johnson then provided her view on Maryland’s entrepreneurial ecosystem citing lack of risk-taking investors and interesting fundable startups; late stage investors require startups to move; lack of middle level and high-level managers; and a small ecosystem. She reviewed several startups that funded by the Momentum Fund. She then described the investment criteria for businesses and encouraged referrals. She then answered questions of the Commission citing best practices in other states and noting the need for financing tools to advance the clean energy industry. (Presentation on file.)

VI. Technology Development Corporation (TEDCO) FY20 Quarterly Reports

Dr. Linda Singh, Interim Executive Director & CEO of TEDCO addressed the Commission. Dr. Singh provided an update on the organization and emphasized that staff is educating businesses on a flat budget which TEDCO must comply and is not standard for startups. She stated all TEDCO funds are spent on the startup community. She indicated that due to audits and implementation of regulations last year, TEDCO investing was paused until January 3, 2020. Auditable regulations are now in place and the team is implementing a customer relationship management system to further build the pipeline of businesses and grow the ecosystem. She added that TEDCO will be seeking more Federal and private investment.

VII. MEDC Subcommittees Discussion

Mr. Ed Coleman, Chair of the Rankings and Research Subcommittee reviewed the latest Scorecard. He highlighted the strength of the State's unemployment rate and improvement to the 24/7 Wall Street 2020 ranking to #9 from #18 in 2019 among others.

VIII. Good of the Order

No additional information was shared among the Commissioners.

IX. 2020 Meetings: May 8, September 8, December 14, 2020

X. Adjournment

Upon a motion duly made and seconded, the meeting was adjourned at 1:25pm.