



October 19, 2017  
Room 767, Albin O. Kuhn Library, University of Maryland, Baltimore County (UMBC)  
1000 Hilltop Circle, Baltimore  
12:00pm – 2:00pm  
**Minutes**

**Commission Members in attendance:**

Marty Brunk	MEDC Vice-Chair, RSM
Ken Banks	Banks Contracting Company, Inc.
Jim Brady	Dunbar Armored, Inc.
Ray Briscuso, Jr. (call in)	MedTech Conference Partners
Ed Coleman	CIOX Health
Ed Dunn	American Mechanical Services
Martin Knott, Jr.	Knott Mechanical, Inc.
Manish Kothari	Sheladia Associates, Inc.
Julie Lenzer	UM Ventures
Aris Melissaratos	Stevenson University
Michael Miller	OGOS Energy, LLC
Laura Neuman	Former Anne Arundel County Executive
Jeanette Glose Partlow	Maryland Chemical Company
Elizabeth Rendón-Sherman	LG-TEK
Susan Schwab	Mayer Brown, LLP
Brenda Smith	The Greater Cumberland Committee
J. Blacklock Wills, Jr.	The Wills Group
Dr. Margaret Wood	WOOD Consulting Services, Inc.

**Ex-Officio Members:**

Robert Brennan	Maryland Economic Development Corporation (MEDCO)
Benjamin Kramer	Delegate, District 19, Montgomery County
Secretary R. Michael Gill	Department of Commerce
George Davis	Maryland Technology Development Corporation (TEDCO)

**Guests:**

Chris Carroll	Office of the Governor
Freeman Hrabowski, III	University of Maryland, Baltimore (UMBC)
John Wasilisin	TEDCO
Bob Ackerman	Allegis Capital
Jacob Vogelstein	Camden Partners
Chuck Cullin	Grotech Ventures

Jason Miller  
Jennifer Kaplan  
Avery Volkman

Greater Washington Partnership  
Greater Washington Partnership

**Commerce Staff:**

Ben Wu  
Julie Woepke  
Steve Pennington

Deputy Secretary/Chief Operating Officer (COO)  
MEDC Executive Director  
Managing Director, Business and Industry Sector  
Development

Greg Derwart

Managing Director, Administration and Customer  
Experience

Allison Mayer  
Rhonda Ray  
BGen Mike Hayes, USMC (ret.)  
Nancy McCrea  
Kris Shock  
Christé Spiers  
Chelshie Caizzi

Managing Director, Marketing and Communications  
Director, Policy, Research & Government Affairs  
Managing Director, Military and Federal Affairs  
Director of Research  
Senior Director, Strategic Industries and Entrepreneurship  
Program Manager, Professional Services  
Executive Associate, Office of the Secretary

**Agenda**

**I. Call to Order**

Vice Chair Marty Brunk called the meeting to order, welcomed attendees and guests, and introduced newly reappointed Commissioner Michael Miller and new Commissioner George Davis, CEO of TEDCO.

**II. Welcome Remarks**

Freeman Hrabowski, III, President of UMBC welcomed guests to the campus and provided an overview of the University, emphasizing its curriculum focused on science, technology, engineering and mathematics. He described recent investments in the campus and partnerships with industry to include a strong relationship with the National Security Agency. He noted the University's recognition as a model for inclusive excellence by such publications as *U.S. News*, which for the past eight (8) years has recognized UMBC as a national leader in academic innovation and undergraduate teaching.

**III. Review and Acceptance of May 9, 2017 Minutes**

Upon motion duly made and seconded, the minutes of the May 9, 2017 meeting were approved.

#### **IV. Chairman's Update**

Vice Chair Brunk provided an update on behalf of Chairman Basu. Vice Chair Brunk reported that Maryland has been adding jobs at a significant rate, now ranking 6th among states as of August - ahead of Texas and FL and will soon be among the top 5. He stated Maryland has a strong industry mix and it appears its strength is growth through retention. He cited incremental upticks in projects such as the growth in logistics and distribution jobs in Cecil County which has seen 2,500 new jobs in the last 18 months not counting the new Amazon distribution facility set to open in 2020. He added that it is currently good to be a business owner, noting more energy of employers; the University System of Maryland; Community Colleges; and new workforce initiatives and education resources. He added that the University System of Maryland will graduate 40,000 students next year with 80% of graduates projected to stay in Maryland.

#### **V. Commerce Department Update**

Secretary Gill presented an economic update citing that 127,600 new jobs have been created in Maryland since January 2015. He reported that unemployment is currently 3.9%, tourism spending is up 3% to \$17.3 billion, and visitors topped 42 million. He reviewed several marketing activities of last summer and highlighted two (2) major attraction projects – Amazon HQ2 and Infosys.

Secretary Gill requested that George Davis, CEO of TEDCO provide an update of the Excel Maryland Initiative. Mr. Davis stated that Phase 1, which identified the State's strengths, weaknesses and recommendations for cybersecurity and life sciences industries had been completed. He listed a few of the findings and stated that Phase 2 is underway to create an innovation hub to include finance programs, marketing, industry outreach and key business development functions.

Secretary Gill requested Allison Mayer, Managing Director, Marketing and Communications to present the recently launched marketing campaign, "Open for Business." Ms. Mayer presented visuals, described ad placements of which the first phase will be 60% in state and then strategically placed out of state. She then answered questions of Commissioners.

#### **VI. Greater Washington Partnership**

Jason Miller, CEO, Greater Washington Partnership, provided an overview of the recently formed regional organization which extends from Richmond, VA to Baltimore representing a population of 10.2 million. The organization is focused on addressing issues on a regional basis with particular emphasis on transportation, talent attraction, building skillsets and improving quality of life. He provided an overview of the region's assets and emphasized the need to maintain and improve the region's position in the increasingly competitive global economy.

Mr. Miller reviewed the structure and composition of the organization and engaged in dialogue with the Commissioners. (Presentation on file.)

## **VII. MEDC Subcommittee Reports**

### **a. Strategic Plan Subcommittee**

Jim Brady, Chair of the Strategic Plan Subcommittee reported that the Subcommittee met in July to review the 2017 legislative session activity. The Subcommittee discussed initiatives such as tax credits and tax reductions as identified and recommended in the Strategic Plan.

Commissioners discussed several opinions on paid sick leave, tax credits and tax reductions. It was suggested that once the Commerce Department and the Governor's legislative packages are introduced that the Subcommittee reconvene to discuss the packages and areas of support.

### **b. Rankings and Research**

Mr. Ed Coleman, Chair, Rankings and Research Subcommittee reported the Subcommittee met in July to explore data and indicators that reflect the State's economic progress. One of the areas discussed was venture capital and recent reduction in investment. The discussion led to the invitation of a panel of distinguished venture capitalists to discuss their opinions on and recommendations.

Prior to introducing the panel, Ms. Christé Spiers, Commerce's Program Manager, Professional Services, provided an overview of venture capital investment in the state compared to the United States for the past five (5) years and the average deal size. She then introduced a panel of subject matter experts; Bob Ackerman, Founder and Managing Director, Allegis Capital; Jacob Vogelstein, Partner and Portfolio Manager, Camden Partners Holding, LLC; and Chuck Cullin, General Partner, Growth Ventures. Each of the panelists then provided additional information on their varied experience in the field.

Mr. Coleman opened the discussion with the panel by inquiring their opinion on the importance of local venture funding to support greater levels of innovation and entrepreneurship; why there is less local funding in Maryland than in other parts of the country; view of the overall Maryland venture capital environment; and why Maryland startups leave after the first few years.

Feedback from the panel included Maryland's cybersecurity businesses are more service than product oriented which is what venture capitalists tend to invest in; lack of a commercial venture capital culture; Maryland has world class engineering unlike any another region or country; the need for increased marketing of its businesses and environment outside the state; lack of talent at the product and business management levels; shortage of technology talent; need for a robust environment/cluster; investments in the state tend to be small; marketing of centers of excellence and the capturing of businesses attracted to the centers should be emphasized; relationships need to be cultivated with investors; Maryland would gain from capitalizing on its existing assets and tracking Silicon Valley businesses that are expanding to

attract mid-Atlantic locations; and Maryland would benefit from review of the venture capital progress in the states of Utah, Florida and North Carolina.

Dialogue occurred among the Panelists and the Commissioners.

**VIII. Department of Commerce Updates** – Given the length of the discussion among the venture capital panelists and Commissioners, the following updates were not presented. Commissioners were asked to review the materials and contact staff with any questions.

- a. Customer Service & Experience** – *Greg Derwart*, Managing Director, Administration & Technology
- b. Business & Industry Sector Development** – *Steve Pennington*, Managing Director, Business & Industry Sector Development
- c. Military & Federal Affairs** – *BGen Mike Hayes, USMC (ret.)*, Managing Director, Military and Federal Affairs

Secretary Gill then acknowledged the career of retiring BGen Mike Hayes, USMC (ret.) and in addition to Commissioner Aris Melissaratos, thanked him his 18 dedicated years to the State of Maryland.

**IX. Future Meeting Dates – 2017**

Vice Chair Brunk announced the next meeting will be December 13<sup>th</sup>.

**X. Adjournment**

There being no further business and upon motion duly made and seconded, the meeting was adjourned at 2:05pm.