



**Meeting
Friday, December 2, 2016
Governor's Reception Room
100 State Circle, Annapolis, MD**

Commission Members in attendance:

Anirban Basu	MEDC Chairman, Sage Policy Group
Marty Brunk	MEDC Vice-Chair, RSM
Ken Banks	Banks Contracting Company, Inc.
Jim Brady	Dunbar Armored
Raymond Briscuso, Jr.	MedTech Conference Partners
Ed Coleman	CIOX Health
Annemarie Dickerson	Francis Scott Key Family Resort
Ed Dunn	American Mechanical Services
Joshua Greene	A.O. Smith Corporation
Manish Kothari	Sheladia Associates, Inc.
Aris Melissararos (call)	Stevenson University
Laura Neuman	Former Anne Arundel County Executive
Elizabeth Rendón-Sherman	LG-TEK
Nayab Siddiqui	Scientific Systems & Software International, Inc.
Robert Wallace	BITHGROUP Technologies
J. Blacklock Wills, Jr.	The Wills Group
Margaret Wood	WOOD Consulting Services, Inc.

Ex-Officio Members:

Robert Brennan	Maryland Economic Development Corporation (MEDCO)
Secretary R. Michael Gill	Department of Commerce
Benjamin Kramer	Delegate, District 19
Secretary Kelly Schulz	Department of Labor, Licensing and Regulation (DLLR)
John Wasilisin	Maryland Technology Development Corporation (TEDCO)

Guests:

Lawrence J. Hogan, Jr.	Governor
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Boyd K. Rutherford
Roger Campos
Sally Guy
Jody Sprinkle
Philip Cronin
Kim Rudolf
Joshua Howe

Lt. Governor
Governor's Office of Business Ombudsman
Department of Legislative Services
Department of Legislative Services
Harris, Jones & Malone, LLC
Maryland Chamber of Commerce
Alexander & Cleaver, P.A.

Commerce Staff:

Ben Wu
Brady Walker
Julie Woepke
Greg Derwart

Deputy Secretary/COO
Special Assistant to the Secretary
MEDC Executive Director
Managing Director, Administration and Customer
Experience

Allison Mayer

Managing Director, Marketing and Communication

Steve Pennington

Managing Director, Business and Industry Sector
Development

Signe Pringle

Managing Director, Office of International Investment and
Trade

BGen Michael Hayes, USMC (ret.)

Managing Director, Office of Military and Federal Affairs

Rhonda Ray

Director, Office of Policy, Research and Government
Affairs

Emily Tocknell

Assistant Director, Policy, Research and Government
Affairs

Malachy Rice

Regulation Analyst, Policy, Research and Government
Affairs

Nancy McCrea

Director of Research, Policy, Research and Government
Affairs

Chelshie Caizzi

Executive Associate, Office of the Secretary

1. Call to Order

Chairman Basu called the meeting to order, welcomed attendees and guests.

2. Review and Acceptance of September 13, 2016 Minutes

Upon motion duly made and seconded, the minutes of the September 13, 2016 meeting were approved.

3. Chairman's Updates

Chairman Anirban Basu provided an overview of trends in the national and regional economies highlighting the states with the highest population growth – Massachusetts, Oregon and Seattle and citing Maryland’s latest unemployment rate of 4.2%. He stated the importance of engaging businesses and business organizations with legislators to discuss the impact of legislation and regulations to businesses and to the economy. He cited progress in Baltimore City and the need to continue the momentum.

Lt. Governor Rutherford joined the meeting and announced that the Commission to Modernization State Procurement released its Report December 1, 2016. The report includes 57 recommendations to modernize the state procurement system by utilizing new technologies, simplifying the Request for Proposal (RFP) process, and providing better procurement training to State personnel and businesses. He also discussed the December 1, 2016 Release of the Regulatory Reform Commission Report which he also chairs. The Report recommendations include the streamlining or elimination of 157 regulations. He stressed the importance that regulations do not stymie innovation. The Commission is in its second year of a three (3) year executive order.

4. **Commerce Department Update** (Presentations on file.)

Secretary Mike Gill provided an update on the State’s overall economy with emphasis on areas most important to competitiveness – assets, rankings, taxes, regulations, customer service, workforce, tourism, film and the arts and tracking mega projects through the Commerce Cabinet. He emphasized the importance of remaining competitive through several initiatives including the MEDC, Life Sciences Advisory Board and the Commerce Cabinet; ongoing Secretary Tours; Milestone Business Visits; One Maryland and the Maryland Marketing Partnership. He cited accomplishments, collaborations and initiatives to keep the positive growth momentum.

1. **Military Affairs**

BGen Mike Hayes, USMC (ret.), Managing Director, Office of Military and Federal Affairs addressed the Commission. He reported that Maryland Military Installations contribute over \$60 billion a year to the State’s economy. Maryland has been a leader in cyber related to the military and federal facilities, however, competitor states are catching up. He stressed the importance of new funding to stay ahead in research and development. He reported the Base Realignment and Closure (BRAC) Advisory Board, as recommended in the MEDC Strategic Plan, has met three (3) times. If there is a BRAC, he stated that a Caucus is needed.

2. **International Activities**

Signe Pringle, Managing Director, Office of International Investment and Trade reported on the \$777,579 export promotion award from the U.S. Small Business Administration, the expansion of the foreign office network, the new University partnership – Global Consulting Program, Export Workshops, the new Soft Landing Platform in the Netherlands and the Foreign Direct Investment Program partnership with the Economic Alliance of Greater Baltimore and the

Brookings Institute. She concluded with a report on the Governor's recent Israel Trade Mission and upcoming trade shows and missions.

Discussion occurred with Commissioners regarding the Export Program, the location of foreign offices and any future expansion to Africa. It was reported by a Commissioner that there is growing interest in Africa particularly for small business.

3. Business Development

Steve Pennington, Managing Director, Office of Business and Industry Sector Development reported on recent wins including the retention and expansion of Marriott Headquarters in Bethesda, attraction of Morgan Stanley to Baltimore, Tracx Headquarters to Montgomery County and ABT Associates retention and expansion in Montgomery County. He cited two (2) pending projects – a distribution center in Cecil County and an undisclosed Banking and Finance Operations Center.

Mr. Pennington provided updates on the Platinum 500 outreach program, Sunny Day Program transactions to Northrup Grumman and Marriott and the progress of the McCormick retention and expansion project. He concluded by stating that potential new and retained jobs added to the pipeline has increased from FY16 from 1,400 to 2,000 per month. He added that actual new and retained jobs won for FY17 is projected to be 12,000, up from 11,300 in FY16.

Discussion occurred among members on the factors that influenced recent wins, rate of return for incentives, the need to include wages in Governor's Press Releases related to incentives and the importance of promoting the wins.

4. Customer Promise

Greg Derwart, Managing Director, Administration and Customer Experience presented the progress of the Governor's Initiative to provide excellent customer service throughout State Agencies. Agencies have created Customer Service Plans, the Customer Service Promise has been posted on location and posted on websites, a three (3) question survey is included in employee signatories and training is underway. He concluded by stating the Commerce Cabinet Customer Service Workgroup meets quarterly and the 40 Agencies with Customer Service Plans will meet bi-annually to share best practices, discuss impact and report findings.

5. Legislative Update

Rhonda Ray, Director, Office of Policy, Research and Government Affairs described the FY17 Department of Commerce legislative priorities. She stated the priorities will include the modernization and streamlining of existing job tax credits to enhance the State's competitiveness. Modernization of the Maryland Economic Development Authority and Assistance Fund (MEDAAF) will also be proposed in addition to the reconstitution of the

Manufacturing Advisory Board and an amendment to the Video Lottery Terminal (VLT) Small, Minority and Women-owned Business Account.

6. Life Sciences Advisory Board

Ben Wu, Deputy Secretary and Chief Operating Officer addressed the Commission and described the membership of the Life Sciences Advisory Board (LSAB) and its vision to make Maryland #3 in BioHealth in the U.S. by 2023. To achieve this vision, he stated the LSAB is undertaking a BioHealth Acceleration Initiative – ACCT Now. ACCT Now Initiative includes the leveraging and growing of current assets; increasing connectivity among and awareness of assets and resources; increasing the availability and access to capital for early through advanced life sciences companies; and increasing the talent pool of experienced BioHealth entrepreneurs, business leaders, graduate and scientists.

Deputy Secretary Wu updated the Commission on the LSAB 2016 progress, workgroups and meetings and the development of a Strategic Plan. He concluded by stated that the LSAB Strategic Plan is projected to be completed by February, 2017.

Governor Hogan joined the meeting and thanked Commissioners for their service. He expressed overall positive momentum statewide, however, work remains to make Maryland more competitive and encouraged Commissioners to remain engaged.

5. Maryland Marketing Partnership Update

Allison Mayer, Managing Director, Office of Marketing and Communications provided an update on the Maryland Marketing Partnership (P3). She stated the Partnership is advised by a 17 member Board of Directors representing the industries of economic development, marketing, labor, public relations, business, non-profit, and ex-officio members from Commerce and the Legislature. In 2016, it held three (3) meetings, raised \$1.4 million in startup funding and is undertaking two (2) initiatives – Governor’s Business Summit and a Rebranding Campaign to reflect both a tourism and business brand.

Ms. Mayer stated the Partnership is planning the Governor’s Business Summit in May, 2017 with a theme of Transformative Corporate Culture. For the Rebranding Campaign, HZDG of Rockville has been selected to create the brand which will soft launch in first quarter of 2017. She concluded by stating that fundraising will continue by a contracted development professional who is seeking to identify sponsorships for a three (3) year commitment. She then answered questions from the Commissioners.

6. MEDC Subcommittee Reports

Ed Coleman, Chair, Rankings and Research Subcommittee directed the Commissioners attention to the updated Scorecard. He reviewed 14 of the 24 indicators or rankings that had recently changed. Overall, Maryland saw improvement in manufacturing job growth, hotel/motel sales

taxes, unemployment rate, labor force participation rate but fell slightly in wage growth, venture capital investments, domestic in-migration less out-migration and the Forbes ranking of Best States for Business and Careers.

Commissioners discussed the various rankings and questioned whether these are the indicators that should be tracked, should regions be compared versus statewide, and how can the State utilize these indicators to develop strategies. It was agreed follow up discussion was needed.

7. Regulatory Reform Commission Update

Commissioner Jim Brady reported that the Lt. Governor had provided the update on the Regulatory Reform Commission. He cautioned, however, that the work of the Commission is not over.

8. Featured Commissioners (Presentations on file.)

Chairman Basu announced a new agenda item – the featuring of two (2) Commissioners to provide personal and business backgrounds. Manish Kothari and Robert Wallace reported.

9. Future Meeting Dates

Chairman Basu reported 2017 meetings dates - 11:30am informal lunch, 12:00pm – 2:00pm Meeting: March 1st, May 9th, August 1st, November 7th.

10. Adjournment

There being no further business and upon motion duly made and seconded, the meeting was adjourned at 2:30pm.