



**Maryland**  
OPEN FOR BUSINESS



# Fiscal 2019 Annual Report

Maryland Department of Commerce



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Kite, a California-based biopharmaceutical company that develops innovative cancer immunotherapies, is opening a new biologics manufacturing facility in Frederick County that will produce innovative cell therapies for people with cancer. A Gilead company, Kite will open the new facility on a 20-acre site in Urbana with plans to create significant job opportunities.

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The Maryland Commerce Office of International Investment and Trade, with representation in 16 countries, works to create global partnerships, often times leading to important exchanges and a sharing of resources and talent between regions. International trade shows also provide many opportunities for growth—in FY19 the value of private sector exports sales increased 99%.

## **30 Marketing and Communications**

The state of Maryland's 'Open for Business' marketing campaign was recognized by the Maryland Economic Development Association for promoting Maryland as a great place to do business and highlighting the state's unparalleled assets. Since launching in 2017, the campaign has reached more than 230 million people. Read about how Marketing and Communications, with help from the Maryland Marketing Partnership, made it happen.

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In April, Maryland Commerce Secretary, Kelly Schulz began a statewide tour, visiting six counties during Fiscal Year 2019 with a full travel schedule reaching out to each and every county and Baltimore City. The tour is just one example of the Secretary's personal relationship building style of "getting to know you."



## Secretary's Message

### Dear Friends and Partners,

I'm pleased to share with you the Maryland Department of Commerce's Fiscal 2019 Annual Report, which highlights the strategic steps we've taken over the past year as we continue to implement Governor Hogan's vision of making Maryland more "Open for Business."

The core of our mission at Commerce is what I call "Prosperity With a Purpose." As we foster business growth and attract new investments to Maryland, we're also trying to help our citizens build better lives through job creation. Having a good-paying job might mean they are able to afford their first car, gain access to better health care, or provide a better education for their children.

Everything we do here at Commerce works toward achieving that vision. It's why we've sought to improve the level of service the state can provide by organizing representatives from Commerce and other agencies that affect businesses into Regional Resources Teams. It's why we worked closely with the governor and elected officials in the General Assembly to leverage the federal Opportunity Zone program into a new state-level initiative aiming to bring new jobs and new investment to areas of the state that need them the most. And, it's why we've worked with our local economic development partners to attract global businesses such as Kite Pharma, Smithfield Foods and Home Depot, and help existing businesses such as Volvo and Northrop Grumman expand.

Every day, our Commerce team works closely with our small businesses in a variety of ways. In fact, more than 70 percent of the businesses we interact with are small businesses. So whether it's making them aware of our financing programs and resources, connecting them with a new customer or partner, or celebrating their milestone anniversaries, we are committed to ensuring our small businesses grow and thrive.

Maryland has been making fantastic progress. Over the past five years the state has added more than 100,000 jobs, and our unemployment rate has dropped to near-record lows. The Hogan administration has cut taxes, fees and regulations that inhibit job growth and has made customer service a top priority across state government. Maryland is consistently top-ranked among states for innovation, we have one of the most talented and highly educated workforces in the country, and the Capital Region is one of the top biopharma clusters in the nation.

In this report you'll find a comprehensive overview of the great things we've accomplished in the past year, but I believe our finest achievements are still ahead of us. I look forward to continuing to work with the Commerce team and all of our partners to make sure Maryland continues to be a great place to live, to raise a family, to have a good time and, of course, to do business.

Kelly M. Schulz,

A handwritten signature in white ink that reads "Kelly M. Schulz". The signature is written in a cursive, flowing style.

Secretary

# Working Together

## Maryland Regional Resources Team and Webpage Launch

FY19 saw the launch of the Maryland Regional Resources team and webpage to help provide businesses with continued assistance and outstanding customer service. Comprised of the 10 state agencies, including Maryland Commerce, that make up the Governor's Commerce Subcabinet as well as the Governor's Office of Intergovernmental Affairs, the team meets regularly to assist businesses and local jurisdictions with economic development efforts, including issues related to transportation, workforce development, licensing, planning and permitting.

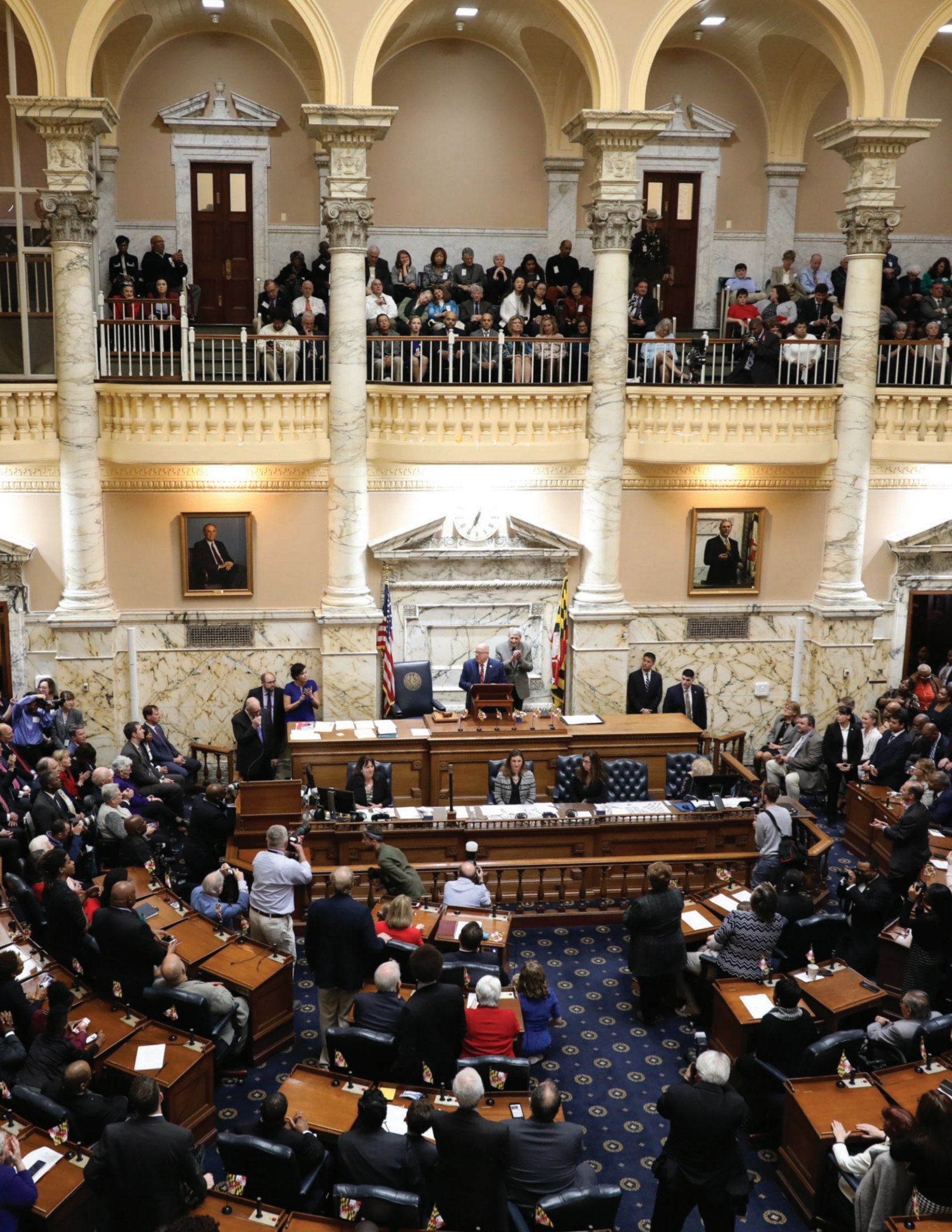
The Maryland Regional Resources webpage, housed on the Maryland Business Express site, offers an easy-to-navigate state map with agency contacts for each region. Divided into five regional teams, the Regional Resources Workgroup increases collaboration among agencies by identifying projects, initiatives, issues or needed resources and support to make Maryland state government faster and easier for businesses to navigate.



### PARTNERS

Department of Assessments  
& Taxation  
Department of Commerce  
Office of the Comptroller of Maryland  
Department of Education  
Maryland Higher Education  
Commission  
Department of Housing and  
Community Development  
Department of Human Services  
Department of Information  
Technology

Maryland Insurance Administration  
Department of Labor  
Office of the Maryland Secretary  
of State  
Governor's Office of Small, Minority  
& Women Business Affairs  
Department of Transportation  
Department of Veterans Affairs  
Department of Natural Resources  
Department of the Environment  
Department of Planning



# 2019 Legislative Session Recap

## **Senate Bill 11 – Distressed Counties – References and Definitions**

Clarifies references in two Commerce programs, the Maryland Economic Development Assistance Authority and Fund (MEDAAF) as well as the Maryland Industrial Development Financing Authority (MIDFA), by updating from “Qualified Distressed County” (QDC) to “Tier 1 County.” These references have been changed to the new terminology and new definition, which uses median household income instead of per capita income. This bill also changes the definition of “distressed county” for the purposes of the Senior Citizen Activity Center Operating Fund within the Department of Aging to include Baltimore City in addition to any counties that qualify based on the current definition. Effective July 1, 2019.

## **Senate Bill 12 – Capital Projects – Inclusion of Public Art**

Expands the Maryland Public Art Initiative by making it apply to capital projects that are funded at least 50 percent with state funds and the rest with private funds. The program does not apply to capital projects funded as a legislative bond initiative in the state capital budget. Effective July 1, 2019.

## **House Bill 173 – Economic Development – Job Creation Tax Credit – Sunset Extension**

Extends the sunset on the Job Creation Tax Credit Program for two years to Jan. 1, 2022. Effective July 1, 2019.

## **House Bill 175 – Maryland Research and Development Tax Credit – Sunset Extension**

Extends the sunset on the Research and Development Tax Credit Program for one year to June 30, 2022. Effective July 1, 2019 and applies to tax years 2020 and 2021.

## **Senate Bill 581 – Economic and Community Development Tax Credits – Opportunity Zone Enhancement Program**

Establishes the Opportunity Zone Enhancement Program to be administered by Commerce. This program offers two levels of enhanced incentives within certain existing Commerce tax incentive programs for qualified Opportunity Zone projects that choose to disclose information about Opportunity Zone investments to Commerce and enact a community benefits agreement. Expands the existing More Jobs for Marylanders tax credit program by allowing businesses that locate or expand in Opportunity Zones to be eligible for the tax and fee benefits provided by More Jobs for Marylanders program even if the businesses are not in the manufacturing industry. Allows Opportunity Zones within Allegany, Garrett, Somerset and Wicomico counties to qualify as Priority Funding Areas (PFA) in order to be eligible for specific programs within Commerce and the Department of Housing and Community Development (DHCD) that have PFA requirements. Tasks DHCD with facilitating the creation of Qualified Opportunity Funds in rural areas. Creates a tax credit to subsidize construction of eligible properties for moderate income individuals within Opportunity Zones. Lastly, enables jurisdictions to offer a property tax credit for vacant properties in Opportunity Zones that are returned to productive use, and authorizes an additional credit under the Heritage Structure Rehabilitation tax credit program for properties within Opportunity Zones. Various sections of the bill have different effective dates.

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## **Boards & Commissions**

**Maryland Economic Development Commission**

**Commerce Subcabinet**

**Advisory Council on the Impact of Regulations on Small Businesses**

**E-Innovation Initiative Fund Authority**

**Maryland Manufacturing Advisory Board**

**Maryland Marketing Partnership**

**Maryland Small Business Development Financing Authority**

**Maryland State Arts Council**

**MIDFA/MEDAAF Authority**

**Maryland Military Installation Council**

**Life Sciences Advisory Board**

**Public Art Commission**

**Tourism Development Board**





# Major Business Attraction Highlights

## **Kite to open biologics manufacturing facility in Frederick County**

Kite Pharma, a California-based biopharmaceutical company that develops innovative cancer immunotherapies, is opening a biologics manufacturing facility in Frederick County that will produce innovative cell therapies for people with cancer. A Gilead company, Kite will open the new facility on a 20-acre site in Urbana with plans to create significant job opportunities. With this new facility, Kite will significantly expand its ability to manufacture commercially available and investigational cell therapies. The Frederick facility will become part of Kite's growing commercial manufacturing network that includes sites in California and the Netherlands.

To assist with project costs, the Maryland Department of Commerce provided a \$200,000 workforce training grant through the Partnership for Workforce Quality program and Frederick County is providing a Commercial and Industrial Tax Credit, which is offered to new and expanding businesses that focus on manufacturing, fabricating, and assembly. The company is also eligible for various state and local tax credits, including the Job Creation Tax Credit and the More Jobs for Marylanders Tax Credit, which incentivizes manufacturers to create new jobs in the state.

## **U.K.-based Autolus bringing 170 jobs to Montgomery County**

Maryland and Montgomery County have announced support for the new U.S. headquarters of Autolus, a U.K.-based biopharmaceutical company focused on discovering and developing treatments for cancer. The company will host its operations at its new 85,000-square-foot Rockville facility and plans to create approximately 170 jobs by 2021. A leader in T-cell programming and manufacturing technology, the company also will have research and development and manufacturing operations in Rockville.

**“Autolus is delighted to base its U.S. headquarters in Montgomery County, Maryland. With its educated and diverse workforce and proximity to world-class research facilities and universities, Montgomery County was the natural choice for us to base our U.S. hub.”**

Matthias Alder, Autolus senior vice president and chief business officer

To assist with project costs, the Maryland Department of Commerce has approved a \$525,000 conditional loan through the Advantage Maryland Fund. Additionally, Montgomery County is providing a \$200,000 conditional loan to help complete the project. The company is also eligible for various state and local tax credits, including the Job Creation Tax Credit and the More Jobs for Marylanders Tax Credit, which incentivizes manufacturers to create jobs in the state.

### **Floor & Decor distribution center coming to Tradepoint Atlantic**

Floor & Decor, a leading specialty retailer of hard surface flooring, plans to open a 1.5 million-square-foot distribution center at Tradepoint Atlantic in eastern Baltimore County. The project is expected to create 150 full-time jobs by the end of 2023. The building will be the second largest in Maryland, and once operational, the company will be one of the Port of Baltimore's largest customers. Floor & Decor offers the industry's largest in-stock selection of tile, wood, laminate and natural stone flooring, along with decorative and installation accessories, at everyday low prices. The company has 101 retail stores across 28 states, with additional stores planned.

To assist with project costs, the Maryland Department of Commerce has approved a \$700,000 conditional loan through the Advantage Maryland Fund. Additionally, Baltimore County will provide a \$70,000 conditional

loan. The company is also eligible for various tax credits, including the state's Job Creation Tax Credit and Enterprise Zone tax credits, and a training grant through the state's Partnership for Workforce Quality program.

### **New Home Depot warehouses to speed delivery process**

Home Depot plans to open two warehouses at Tradepoint Atlantic in Sparrows Point as part of a push to speed delivery to its customers and stores. With nearly 2,300 stores in North America, including about 20 in the Baltimore metro area, the company aims to reach 90 percent of its customers with same-day or next-day delivery, meeting the supply chain distribution "last mile delivery" trend.

### **Gotham Greens coming to Baltimore**

Gotham Greens, a worldwide pioneer in urban agriculture and a leading regional producer of hyper-local, premium quality, greenhouse grown vegetables and herbs, is building a commercial hydroponic greenhouse at Tradepoint Atlantic. The 100,000-square-foot greenhouse will provide a center for growing, food processing and distribution. Baltimore will be the third city for the agtech firm after New York City and Chicago. The expansion will create 60 jobs and offer fresh greens such as arugula, lettuce and basil to Mid-Atlantic food co-ops, restaurants, and other food customers. The facility will use 100 percent renewable energy and recycled irrigation water.





To assist with project costs, the Maryland Department of Commerce has offered an \$180,000 conditional loan through the Advantage Maryland Fund. Additionally, Baltimore County is providing an \$18,000 conditional loan. The company is also eligible for various state and local tax credits, including the Enterprise Zone Tax Credit, the Job Creation Tax Credit and the More Jobs for Marylanders Tax Credit, which incentivizes manufacturers to create jobs in the state.

### **The Container Store to open distribution center in Harford County**

The Container Store, the only national retailer solely dedicated to providing storage and organization products, will lease a newly constructed 600,000-square-foot distribution center at the Eastgate 95 Industrial Park in Perryman. The project is expected to create 130 full-time jobs by the end of 2019. The 40-year-old company has been on Fortune's 100 "Best Companies to Work For" list for the past 19 years.

The state, through the Maryland Department of Commerce, and Harford County worked closely with the company to find a location in Maryland. The company is eligible for a number of state tax credits, including the Job Creation and Enterprise Zone credits.

### **Smithfield Foods to create more than 200 jobs in Cecil County**

Smithfield Foods Inc., a U.S. based global food company and the world's largest pork processor and hog producer, is opening a new distribution center in Cecil County, creating 240 jobs. The 420,000-square-foot state-of-the-

art facility will be constructed in the Principio Business Park, which will allow the company to better support its daily operations and improve service to its customers in the Northeast. Based in Smithfield, Virginia, for more than 80 years, Smithfield Foods offers multiple market-leading brands that hold top market share in numerous packaged meats categories in the U.S. With more than 54,000 employees worldwide, the company has farms, facilities and offices throughout the United States and Europe, and is passionate about producing good food the right way through its industry-leading sustainability program.

### **Paul Fredrick to locate HQ in Baltimore County**

Paul Fredrick, an online provider of high-quality menswear, is moving its corporate office from Pennsylvania to Baltimore County and expects to add 70 high-level executive, merchandising and marketing positions over the next five years. The company plans to lease up to 10,000 square feet of space in the county, where it will establish its new headquarters later this year. Led by former Jos. A. Bank senior executives, Paul Fredrick is also looking into adding a retail storefront component in the region.

Founded in 1986, Paul Fredrick originally specialized in men's dress shirts and over the years has grown its collection to include suits, sport coats, pants, ties, cufflinks and other men's accessories, as well as men's casual wear and shoes. For the past 30 years, the company has sold its apparel and accessories strictly through its catalog and website, without breaking into the retail sector.





## Select Recruitment and Expansion Projects

| Company                | Location<br>County/City | Industry                 | New Jobs | Capital<br>Investment<br>(in millions) |
|------------------------|-------------------------|--------------------------|----------|----------------------------------------|
| Alderson Loop          | Carroll                 | IT                       | 30       | \$1                                    |
| Autolus                | Montgomery              | Biotechnology            | 130      | \$48                                   |
| Baltimore Cyber Range  | Baltimore City          | Cybersecurity            | 25       | \$0.35                                 |
| ConAgra                | Washington              | Food Manufacturing       | 80       | \$30                                   |
| Container Store        | Harford                 | Distribution             | 130      | \$48                                   |
| Cybrary HQ             | Prince George's         | Cybersecurity            | 229      | \$2.8                                  |
| Dart Container         | Caroline                | Logistics & Distribution | 200      | \$1.75                                 |
| Floor & Decor Holdings | Baltimore               | Distribution             | 150      | \$65                                   |
| Gotham Greens          | Baltimore               | Agribusiness             | 60       | \$8                                    |
| Home Depot             | Baltimore               | Distribution             | 250      | \$88                                   |
| Intralox               | Anne Arundel            | Manufacturing            | 170      | \$3.8                                  |
| Kite Pharma            | Frederick               | Manufacturing            | 352      | \$85                                   |
| Machfu                 | Montgomery              | IT                       | 70       | \$1                                    |
| Northrop Grumman       | Cecil                   | Aerospace & Defense      | 175      | \$15                                   |
| Patriot Construction   | Calvert                 | Production               | 10       | \$4                                    |
| RADA Technologies      | Montgomery              | Aerospace & Defense      | 50       | \$8                                    |
| Regenex Bio            | Montgomery              | Biotech                  | 172      | \$34                                   |
| Smithfield Foods       | Baltimore               | Distribution             | 240      | \$74.6                                 |
| Volvo                  | Washington              | Manufacturing            | 43       | \$85                                   |
| Williams Scotsman HQ   | Baltimore City          | Manufacturing            | 25       | \$2.5                                  |

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WE ARE MONTGOMERY  
YOUR BIO WORKFORCE AWAITS





## Driving Innovation and Growth

### Maryland leads delegation to BIO 2019

Maryland Commerce led a delegation of 20 biohealth and life sciences companies, educational institutions, federal agencies, and city and county economic development offices to the 2019 BIO International Convention in Philadelphia. The event brought together a variety of science-sector fields, including genomics, cell and gene therapy, drug discovery and biomanufacturing, and hosted more than 16,000 visitors from 67 countries. As an annual BIO exhibitor for more than 20 years, the state has facilitated the connection between hundreds of Maryland companies and industry leaders across the globe.

Maryland companies participating in the state's delegation were AstraZeneca / MedImmune, Pharmaceuticals International Inc., Altimimmune, Leidos Health, REGENXBIO, MacroGenics, Smithers Avanza, and Paragon Bioservices. Additional participants include the U.S. Food and Drug Administration, headquartered in Silver Spring; the National Institutes of Health in Bethesda; Johns Hopkins University; Montgomery College; the Institute for Bioscience and Biotechnology Research; and the University of Maryland, Baltimore. Economic development officials from Frederick County and the city of Frederick; Montgomery County and Rockville; and Gaithersburg were also among the delegation members.

### Baxter to partner with university, health care institutions in Baltimore area

Baxter International Inc, a leading global medical products company based in the Chicago area, joined with Maryland Commerce announcing plans to partner with three university and health care institutions in the Baltimore area. Maryland Commerce Secretary Kelly M. Schulz met with Baxter executives at the 2019 BIO International Convention in Philadelphia to discuss the details of the company's collaborations with Johns Hopkins University, LifeBridge Health, and the University of Maryland, Baltimore.

As part of its collaboration with the Johns Hopkins University Center for Bioengineering Innovation and Design, Baxter will provide mentoring and funding to help biomedical engineering students design new health care solutions and address unmet needs in surgery. Baxter will have the opportunity to license and pursue technologies developed from the collaboration.

### **Maryland Commerce launches database of military and federal STEM programs**

Maryland STEM Connect provides a new interactive database of educational, internship and apprenticeship opportunities within federal agencies and military installations throughout Maryland. Created by Maryland Commerce's Office of Military and Federal Affairs to promote and provide information on the numerous STEM-related opportunities to students, parents and educators, the database includes information on programs ranging from summer camps to robotics challenges for students of all ages. STEM Connect is searchable by education level, type of program, key words, military or federal agency, and location. Approximately 300 educational, internship and apprenticeship opportunities at nearly 25 federal agencies or military commands are currently listed and are regularly updated. Find it online at [commerce.maryland.gov/stemconnect](http://commerce.maryland.gov/stemconnect).

### **Federal grant expands defense technology commercialization center**

The Maryland Department of Commerce received a \$750,000 federal grant from the U.S. Department of Commerce Economic Development Administration to expand the Maryland Defense Technology Commercialization (DefTech) Center, a Department of Defense (DoD) grant-funded pilot program developed by Maryland Commerce and established in 2018 to fund tech transfer activities in defense labs at Aberdeen Proving Ground. The grant expands the services of the DefTech Center program to Fort George G. Meade and Fort Detrick, with both locations offering intellectual property matchmaking, mentoring and coaching,

resource connections, startup support, and other services to help clients explore technology transfer opportunities. The centers will also host networking, educational and skill-building events for entrepreneurs, covering topics such as customer discovery, market identification, intellectual property and patent law, and market-oriented product development.

The funding also supports enhancements to the program's website, including incorporating the Maryland Defense Patent Database, an aggregated repository for Maryland's defense intellectual property that is available for licensing. The database currently includes approximately 1,800 patents for licensing from DoD labs in Maryland.

### **Maryland Defense Cybersecurity Assistance Program (DCAP)**

Maryland Department of Commerce, through the Maryland Manufacturing Extension Partnership, is offering an assistance program for all qualified Maryland defense contractors to help assess and address for compliance with the new NIST 800-171 standard. This program, federally funded by a DoD Office of Economic Adjustment grant, helps to give Maryland defense contractors a competitive advantage and strengthen Maryland's defense supply chain. Defense contractors in Maryland generate more than \$57 billion in economic impact, and the DCAP program will help these contractors comply with the federal regulations necessary to continue providing services to the federal government. In FY19, the Maryland Commerce DCAP provided cybersecurity assessments or cybersecurity technical assistance to 38 companies.

In addition, Baxter is in discussions with LifeBridge Health to address challenges and unmet needs facing clinicians in critical care and is also pursuing partnerships with a number of companies in the University of Maryland BioPark.

### **Israeli defense technology company to open HQ**

RADA Technologies LLC, which produces electronics for the aerospace and defense industry, is planning a new headquarters in Germantown, including a research and development and manufacturing operation. The company will invest nearly \$4 million into a 25,000-square-foot facility on Seneca Meadows Parkway in Montgomery County by the end of 2019. As a result of the expansion, RADA Technologies plans to create 50 full-time jobs over the next two years and a total of 80 new jobs by December 2023. RADA Technologies is the American subsidiary of Israel-based RADA Electronic Industries Ltd.

To assist with project costs, the Maryland Department of Commerce has approved a \$300,000 conditional loan through the Advantage Maryland Fund. Additionally, Montgomery County is providing a \$50,000 conditional grant in support of the project. The company is also eligible for state tax credits, including the More Jobs for Marylanders Tax Credit and the Job Creation Tax Credit.

### **Maryland Commerce supports research professorships**

The Maryland Department of Commerce; Maryland Institute College of Art; Towson University; the University of Maryland, College Park; and Washington College have endowed a total of \$6.7 million in new research professorships. The endowments were made through the Maryland E-Innovation Initiative Fund, a state program created to spur basic and applied research in scientific and technical fields at the colleges and universities. The schools raised a combined \$4 million in

private funding for each chair, and Maryland Commerce approved matching grants of \$2.7 million to support the endowments. Created by the General Assembly during the 2014 legislative session, MEIF has provided \$34 million in funding to leverage \$41.7 million in private donations. The program supports advancements in a broad range of disciplines including geographic information systems, cyber education and research, and data analytics.

### **AURP aims to make College Park a global point of entry for U.S.**

The Association of University Research Parks (AURP) is looking to create communities of innovation across the globe with the opening of its new office – dubbed AURP HQ2 – at the Discovery District, a research park that includes the University of Maryland, College Park, one of the nation's pre-eminent public research universities. The Discovery District aspires to be the epicenter of academic, economic and research achievements in the region, and is located within a federal Opportunity Zone, providing incentives and tax benefits to those who invest in the area.

The College Park office is located in the new WeWork space—the first in Maryland and the first located at a university. The co-working facility allows companies to do soft landings in Maryland, lets visitors take advantage of the new Hotel at the University of Maryland, and do a test run of working and living in the region. There are similar spaces across the country, but College Park's position provides opportune access to the nation's capital, federal labs, international representatives and more. AURP currently has 300 members around the globe, including five innovation communities here in Maryland.

### **Maryland Commerce recognized for small business program**

The Maryland Department of Commerce won the 2018 CDFA Distinguished Development Finance Program Award from the Council of Development Finance Agencies (CDFA) in recognition of the agency's Small, Minority and Women-Owned Business Account - Video Lottery Terminal Fund (VLT). The CDFA Excellence in Development Finance Awards recognize outstanding development finance programs, agencies, leaders, projects and success stories. The awards honor excellence in the use of financing tools for economic development, as well as individuals who champion those efforts.

Established in a 2007 Special Session of the General Assembly, the VLT Fund requires that 1.5 percent of the proceeds from video lottery slots be used to assist small, minority and women-owned businesses throughout Maryland. Through fund managers selected by Maryland Commerce by a competitive bid process, 50 percent of the funds are loaned to businesses within a 10-mile

radius of the state's six casinos, with the remaining 50 percent loaned to businesses statewide. To date, 547 transactions have been approved for more than \$67.2 million, with businesses projecting the creation of 3,341 jobs, the retention of 4,523 jobs, and \$138 million in private sector investment as a result of the loan program.

### **Datawatch Systems expands HQ**

Datawatch Systems, one of the top commercial office security providers in the country, is relocating its headquarters within Montgomery County and adding 50 new full-time jobs over the next four years. The company is moving to a nearby space on East West Highway in Bethesda, where it will lease 25,000 square feet of space in the coming years. The company currently employs 200 workers in the county. Datawatch Systems remotely monitors hundreds of thousands of doors in more than 4,000 buildings throughout North America. Today, its portfolio includes Fortune 500 companies, government agencies, nonprofit organizations and more.

To assist with the expansion, the Maryland Department of Commerce is providing a \$50,000 training grant through the Partnership for Workforce Quality program, and Montgomery County is providing an \$80,000 conditional grant through its Economic Development Fund. The company is also eligible for various tax credits, including the state's Job Creation Tax Credit.

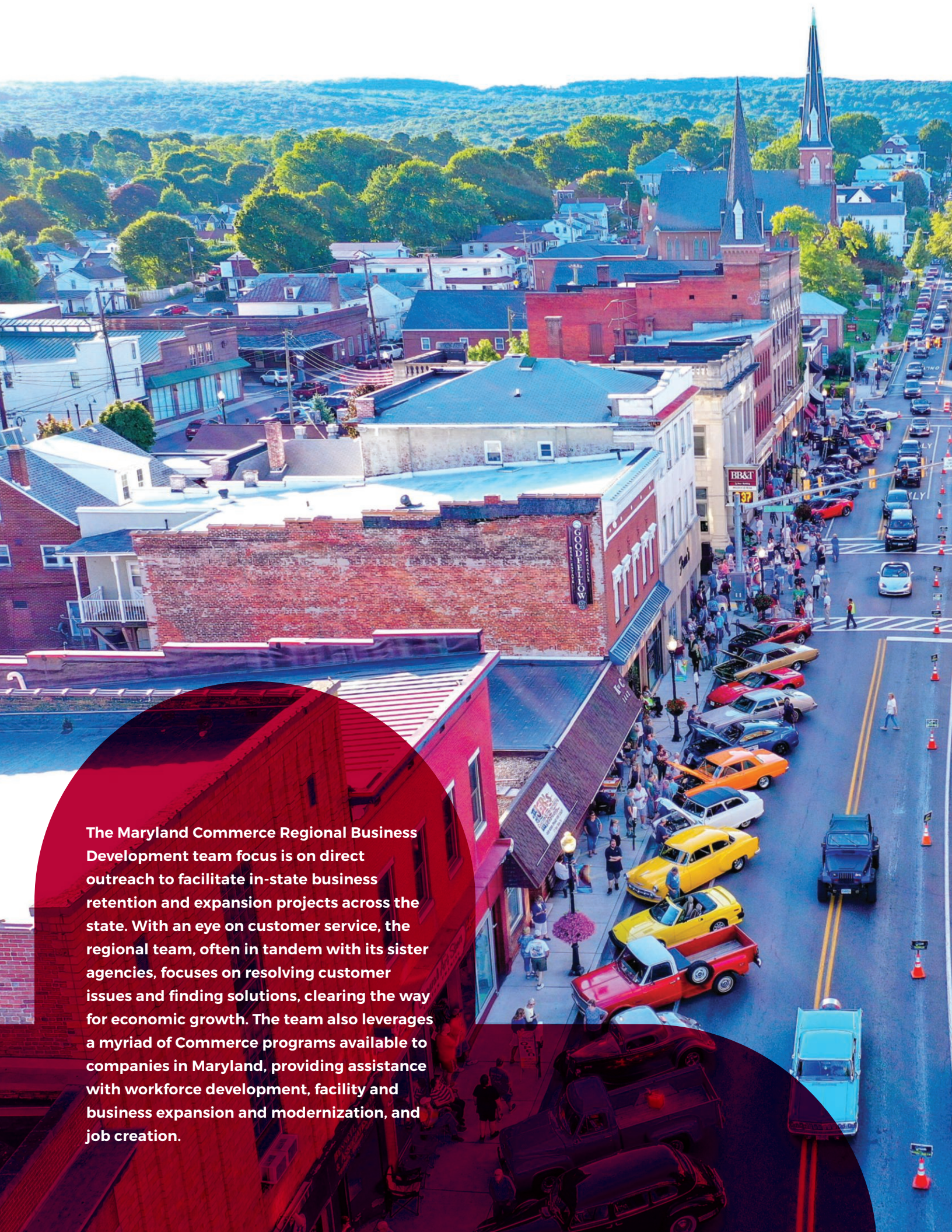
## **62% Increase**

**PWQ workers trained  
Fiscal Years 2018-2019**

### **Northrop Grumman to add 175 jobs**

Northrop Grumman, a global security company that designs, builds and delivers space, defense and aviation-related systems, is expanding its manufacturing operations in Cecil County and plans to add 175 new jobs over the next five years. This operating sector of the company, which was known as Orbital ATK before it was purchased by Northrop Grumman Corp. last year, currently operates in Elkton and employs 400 workers. Northrop Grumman Innovation capabilities and products span innovative technologies in autonomous systems, cyber, C4ISR, space, strike, and logistics and modernization.

To assist with project costs, the Maryland Department of Commerce has approved an \$800,000 conditional loan through the Advantage Maryland Fund. Maryland Commerce is also providing a \$200,000 training grant through the Partnership for Workforce Quality program, and Cecil County is providing an \$80,000 conditional loan to help the company complete the project. The company is also eligible for state tax credits, including the Job Creation Tax Credit and the More Jobs for Marylanders Tax Credit.

An aerial photograph of a historic town street. The street is lined with multi-story brick buildings. A large crowd of people is gathered on the sidewalks, and a line of vintage cars is parked along the curb. In the background, a prominent church steeple rises above the rooftops. The street is paved with asphalt and has yellow double lines. A sign for 'BBAT' is visible on a building. The overall scene depicts a lively community event in a historic setting.

The Maryland Commerce Regional Business Development team focus is on direct outreach to facilitate in-state business retention and expansion projects across the state. With an eye on customer service, the regional team, often in tandem with its sister agencies, focuses on resolving customer issues and finding solutions, clearing the way for economic growth. The team also leverages a myriad of Commerce programs available to companies in Maryland, providing assistance with workforce development, facility and business expansion and modernization, and job creation.



Photo Credit: Above Sky Photography

# Across Maryland

## Western Maryland

### **Volvo Group to add new machining operation in Hagerstown plant**

Volvo Group North America is expanding its powertrain facility in Hagerstown, introducing a new machining operation, expanding automated manual transmission (AMT) assembly, and adding core logistics management. The company is investing \$43 million and adding 85 jobs in the powertrain production plant, where it develops and produces heavy-duty diesel engines, transmissions and axles for Volvo Group brands. AMT gears and shafts machining will be added alongside the existing AMT assembly line in Hagerstown, with production expected to begin in early 2021.

To assist with the expansion, Maryland Commerce has approved a \$1.4 million conditional loan through Advantage Maryland. Washington County has approved approximately \$140,000 for the project. The company has been an important employer in Western Maryland for more than 57 years, with more than 1,900 team members currently at the Hagerstown campus.

"It is very important for us to receive support from the State of Maryland and Washington County. We value the long-term relationship we have with our local and state legislators, as they are key partners to build a sustainable business," said Pierre Jenny, Volvo Group vice president of powertrain production at the Hagerstown facility.

### **Schroeder Industries expanding again**

Schroeder Industries, located in the Mexico Farms Industrial Park south of Cumberland, continues to build on its success in Allegany County. The company, a leader in fluid conditioning with more than 65 years of filtration experience makes hydraulic filters. Schroeder Industries is now in the midst of its fourth increase in capacity since opening in 1994. The latest expansion includes the construction of a 13,500-square-foot addition. The build-out is expected to be completed in early 2020. Schroeder currently employs 77 people and looks to hire more with the latest expansion. It has applied for the More Jobs for Marylanders Tax Credit.

The company's corporate headquarters is in Leetsdale, Pennsylvania, northwest of Pittsburgh. In 2003, Schroeder Industries was purchased by HYDAC, a corporation based in Germany. Schroeder utilizes advanced technology and ships to businesses around the world.

**“Anything that has a hydraulic system in it, we make a filter for it. It’s a great company to work for. We have a lot of good people here. The care they put into the product is what contributes to our success. The sales force is also doing a great job raising more business for us. We have the background and the expertise in this technology and own a lot of the patents. The company invests a lot in the equipment and people.”** Doug Harrison, Schroeder senior manufacturing engineer

### **C&O Canal National Historical Park’s headquarters plans move to Williamsport**

Federal, state and county agencies worked together on plans to build a new National Park Service headquarters in Williamsport for one of the most popular national parks in the country, the C&O Canal National Historical Park. The Washington County Board of Commissioners approved a grant agreement from the Maryland Department of Housing and Community Development for \$1.25 million to acquire the former Miller Lumber Co. property on West Potomac Street for the headquarters. Once the county acquires and demolishes the lumber facility, it will enter into a lease with the Maryland Economic Development Corp. (MEDCO), which will invest about \$11.5 million to build the headquarters. And, the National Park Service has agreed to put \$5 million toward the project and enter into a 30-year lease with MEDCO. The plan involves the relocation of about 75 canal employees to Williamsport.

With a planned opening in 2020, the headquarters will add to a growing visitor experience along the canal in Williamsport, including an ongoing \$8.9 million reconstruction of the Conococheague Aqueduct. Lockhouse 44, about a half-mile downstream, and a corresponding lock were renovated about five years ago.

### **State committed to assist displaced Verso Paper Co. workers**

The Verso Paper Co. in Luke, Maryland, a major employer in Western Maryland and West Virginia, announced plans to shut down with no warning on April, 30—after a 131-year run. About 675 Verso employees lost their jobs when the company ceased operations at the mill this spring. Hundreds of other area residents with mill-related jobs and businesses were also impacted by the closure.

Soon after the announcement, several key members of Governor Hogan’s Cabinet traveled to Allegany County to meet with elected officials, company executives, union leaders and workers to tell them that the state is doing everything it can to help. Within days, Maryland officials

and members of the state’s congressional delegation, including Sens. Benjamin L. Cardin and Chris Van Hollen and Rep. David J. Trone, traveled to Luke and the surrounding community. In mid-May, the state and local governments held the first of several job fairs for the workers who were about to be displaced. About 70 companies sent recruiters.

### **Maryland Commerce creates new EZ in Garrett County, redesignates Allegany County EZ**

Maryland Commerce designated a new Enterprise Zone (EZ) in Garrett County to include the Keyser’s Ridge Business Park. In addition, the department redesignated the Route 220 South EZ in Allegany County. A joint effort between state and local governments, the EZ program provides real property and state income tax credits for businesses that create jobs and make capital investments.

The new Garrett County zone includes about 122 useable acres, including the county-owned Keyser’s Ridge Business Park. Garrett County has invested in several infrastructure improvements around the business park, and the business park designation will be an important, additional tool to attract businesses. The redesignated zone in Allegany County includes 404 acres south of Bel Air, an area which includes the Barton Business Park. The continued EZ incentives will help the county attract more businesses, particularly in light industrial sectors such as advanced manufacturing.

Businesses located in the state’s 38 Enterprise Zones will receive \$52 million in property tax credits in FY 2020 based on more than \$3.7 billion in investments made in FY 2019.

## **Southern Maryland**

### **Veteran-owned small business breaks ground in Calvert County**

PATRIOT, a veteran-owned small business offering full-service facilities and infrastructure solutions, is constructing its two-story, 14,000-square-foot headquarters in Dunkirk. Known for managing projects for government buildings, PATRIOT was ranked the top global contractor by Deltek’s GovWin IQ for its engineering, architecture and construction services. The company, which currently employs 40 workers, anticipates moving into the new facility by the end of 2019, adding 10 jobs. The homegrown business was founded by two neighbors, John Gilmore and Matt Timbario, just over 10 years ago. What started as a small operation out of a garage has turned into a successful, multimillion-dollar company with clients nationwide and across the globe.

The Calvert County Department of Economic Development assisted PATRIOT with its expansion project by pushing the site plan through the review



process and fast-tracking permits. Maryland Commerce also met with the company to discuss state programs and assistance for future use.

### **Grey Ops LLC taps Patuxent Business Park for new headquarters, manufacturing facility**

Grey Ops LLC, a federal technology contracting firm, will construct an 18,000-square-foot office headquarters and manufacturing facility at the Patuxent Business Park in Lusby. Created in 2002 through a partnership with Maryland Commerce, MEDCO and Calvert County, Patuxent Business Park was recently designated a federal Opportunity Zone, which is designed to spur investment in distressed communities throughout the U.S. with a number of tax benefits. By adding 10 jobs, the company is eligible for various state and local tax credits, including the Job Creation Tax Credit and the More Jobs for Marylanders Tax Credit, which incentivizes manufacturers to create jobs in the state.

Grey Ops LLC specializes in the production and sale of a revolutionary blast mitigation technology called Silent Spring. Invented and developed by the U.S. Navy out of the Naval Surface Warfare Center Explosive Ordinance Division in Indian Head, the Silent Spring solution “coats” the elements of an energetic substance, providing for a chemical explosion suppression without altering the molecular structure of the explosive charge, thereby retaining the original integrity of the volatile compound.

### **Coherent Technical Services Inc. global sales growing**

With help from the Maryland Diversification Defense Assistance (MDDA) program, Coherent Technical Services Inc. (CTSi) is growing its global sales for its Mudbucket® product line, which enables avionics upgrades of legacy U.S. military aircraft at radically lower cost and reduced cycle time. Based in Lexington Park, CTSi provides technical services and solutions for the Department of Defense and other customers. In late 2018 it participated in the ExporTech program, a collaboration between MDDA partners, including Maryland Commerce, the U.S. Commercial Service of the U.S. Department of Commerce, the MD/DC District Export Council, and the Maryland Manufacturing Extension Partnership.

**“None of this could have happened without the MDDA program and the ExporTech program. They have been invaluable to CTSi to grow our export side of our business. Not only did they give us tactical tools to help ensure we comply with regulations, but the team helped us develop a strategic plan to actively grow our international footprint. And, the plan is working.”** Matt Hederstom, CTSi CEO

ExporTech helped CTSi develop a global export growth plan for the Mudbucket® product line, strategically focused on particular aircraft in specific NATO countries, and assisted with plan implementation by facilitating connections in overseas markets. ExporTech and MDDA accelerated the company's knowledge about export compliance, enabling them to develop a robust program resulting in CTSi's being awarded the prestigious 2019 President's "E" Award for export performance. CTSi has 140 employees, and in the next two years expects to increase sales by at least 50 percent, creating approximately 50 new jobs.

### **St. Mary's County working on new, transformative innovation district**

A new innovation district is forming in Southern Maryland, with help from the university system, a regional airport, government officials, and several local businesses. The area – located between Lexington Park and California, Maryland – is anchored by St. Mary's County Regional Airport; the University of Maryland (UMD) UAS Test Site; the University System of Maryland at Southern Maryland, formerly known as the Southern Maryland Higher Education Center; TechPort, a business technology incubator run by UMD; and IMPAX, a company contracted to find innovative solutions for the U.S. Navy. There's also a professional business park, the Wildwood retail shopping center, and a residential area that borders the future innovation district, making it a true mixed-use, walkable community for St. Mary's County residents.

University System of Maryland at Southern Maryland is constructing a third building, the new Academic and Innovation Center, for autonomous systems for air, land and sea, as well as research and development teaching and testing. The \$86 million, 84,000-square-foot academic and research facility, slated to open in fall 2021, will be nothing short of transformative, spurring new economic activity and job growth – for the campus, the region and the state.

### **"The airport area is really growing—it's one of our primary focuses for economic development."**

Chris Kaselemis, St. Mary's County Department of Economic Development director,

## **Eastern Shore**

### **Choptank Transport to expand with state loan, county matching grant**

Choptank Transport Inc. is expanding its Preston headquarters again, and expects to add 45 jobs, bringing the company's total employment in Preston to 290 employees by the end of 2021, thanks to a state loan and Caroline County grant funding. Caroline County commissioners signed a resolution endorsing the project committing a \$14,000 grant to match the \$140,000 loan coming from the Maryland Department of Commerce.

The county funding agreement also stipulates Choptank Transport use its best efforts to hire Caroline County



contractors and other local service providers for the expansion, and then to try to hire Caroline County residents for the jobs to be created as a result. The loan and grant money will be used to buy more furniture, fixtures, equipment and redundant broadband internet infrastructure, all to be installed by Dec. 31, 2020.

### **Communications Electronics Systems expands in Queen Anne's County**

Communications Electronics Systems LLC (CES), a provider of security services including video surveillance, access control and intrusion detection systems, is expanding its operations in Queen Anne's County and plans to hire 10 new employees. The company is eligible for Maryland's Job Creation Tax Credit. CES is the largest Motorola partner/dealer on the East Coast, with five offices and more than 150 employees that provide life safety and communications systems to a broad range of commercial business and government customers. The CES management team boasts well over 100 years of combined experience in integrated security and have provided security systems to the highest levels of federal, state and commercial clients including the White House, Maryland State Police, major defense contractors, health care facilities and national corporations.

### **Easton's newest business park is in the works**

In December 2018, local, state and federal officials kicked off the development of Mistletoe Hall Commerce-Business Park, Easton's newest business park. The development is comprised of 86.25-acres of land on Goldsborough Neck Road and borders Easton Airport and Talbot Commerce Park. The business park will include seven parcels, offering prime location to encourage entrepreneurial activity and business expansion and attraction. The land was set aside many years ago for business and industrial use and has long been part of Easton's long-range plans for growth.

Funding for the project came from a number of local, state, and federal partners. In addition to funds committed to the project from the Town of Easton and Talbot County Government, the Rural Maryland Council awarded \$250,000, and the United States Department of Commerce – Economic Development Administration awarded \$2,282,750. The funding will allow for the roads, stormwater management and utilities to be constructed, resulting in a "pad" space available for short- or long-term lease. The project is expected to take approximately 24-36 months to complete.

### **Maryland Commerce designates new Caroline County Enterprise Zone, expands Talbot EZ**

Maryland Commerce designated a new enterprise zone in northern Caroline County, which includes the towns of Ridgely, Greensboro and Goldsboro and the Mid-Shore Regional Technology and Business Park, and expanded the existing zone in Talbot County. The enterprise zone program, established in 1982, provides local property and

state income tax credits to businesses that create jobs and make capital investments.

In addition to including the Mid-Shore Regional Technology and Business Park, the new 710-acre North County Enterprise Zone in Caroline County also includes a number of industrial and key commercial properties. With this new zone, Caroline County aims to fully develop the Mid-Shore Regional Technology and Business Park and develop an industrial area west of Greensboro. They also hope the zone will help increase employment opportunities and strengthen the partnerships between the county's business community and public agencies and institutions.

The Town of Easton and Talbot County jointly applied to expand the Easton Talbot County Enterprise Zone to add 220 acres including Easton Point, the Talbot Commerce Park and Mistletoe Hall Farm. These locations boast waterfront properties, utilities and road improvements, and industrial zoning approvals. Both the Town of Easton and Talbot County believe this designation will encourage business retention and expansion.

### **Renovated historic property promotes tourism and luxury on Tilghman Island**

Guests at the newly renovated Wylder Hotel Tilghman Island are transported to a place and time of genteel luxury with white wrap-around porches and balconies of the 1898 original buildings offering stunning views of the Chesapeake Bay. The hotel boasts a heated saltwater pool, 54 rooms that pay tribute to the charm of the Bay, a bocce court, private marina with 25 boat slips, as well as Tickler's Crab Shack and Bar Mumbo.

**"I chose Tilghman because it was an iconic property that I had gone to many times for charter fishing trips and I always thought it was magical. It is a real working waterfront, commercial fishing village with a rich history and a great community. Presidents, governors, senators and sports figures used to go fishing off of its shores in previous years. It is an irreplaceable piece of real estate."**

John Flannigan, Wylder's CEO and founder,

To support Flannigan's dream to renovate the Eastern Shore destination with all the trappings of an upscale resort, but with a casual vibe that beach-goers know and love, was the Enterprise Zone Tax Credit program. The Tilghman Enterprise Zone was designated in 2017 by Maryland Commerce to provide real property and state income tax credits for businesses located in the area to promote job creation and investments.



# Intermodal

## CSX

This long-term reconstruction project of the 125-year-old Howard Street Tunnel will accommodate double-stacked container trains with long-term benefits.

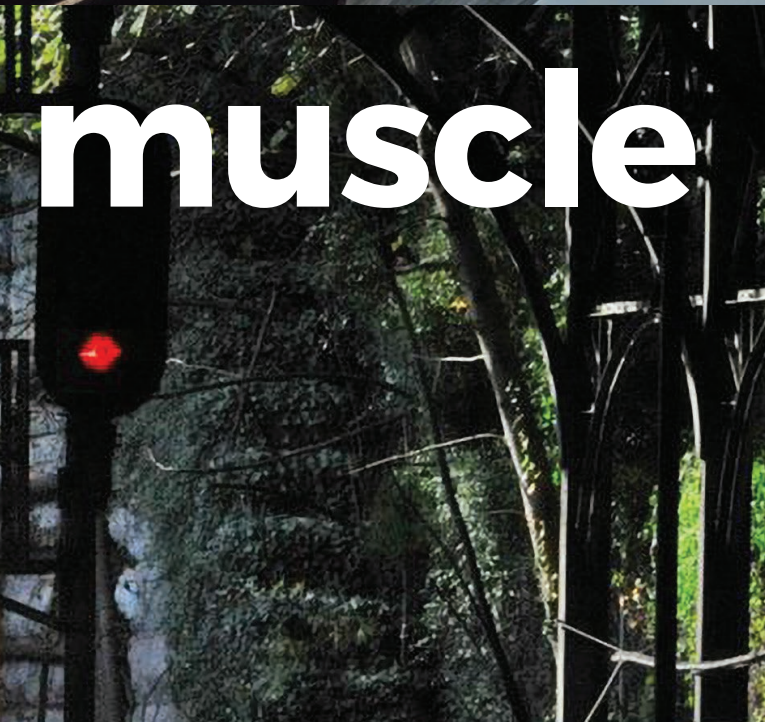
- Increase POB's container business by about 100K containers annually
- Generate 6,800 tunnel construction jobs
- Add another 7,400 jobs as a result of POB increased business



## BWI

- 22nd busiest airport in the United States, and the busiest in the Washington-Baltimore region
- Passenger traffic grew 2.9 percent in 2018
- Cargo shipments also increased, reaching nearly 440 million pounds in 2018





# International Investment and Trade

## Partnerships with a Mission

The Maryland Commerce Office of International Investment and Trade (OIIT) works to create partnerships around the globe with representation in 16 countries. Representatives from OIIT regularly attend trade shows across the globe, providing many opportunities for global companies to get to know Maryland, its assets for business and its companies. Maryland companies have the opportunity to join Commerce in attending many of these events, opening doors to meet new customers and partners from across the globe.

**"I was pleased to recently team up with the Maryland Chamber for a guest blog on 'thinking globally.' I was amazed to see a recent statistic that stated that more than 95 percent of the world's consumers and 70 percent of the global purchasing power lies beyond the U.S. borders."**

Secretary Schulz, Maryland Business Pulse, June 2019

**\$233M**

value of private sector  
export sales resulting from  
Commerce assistance

99% increase FY18-FY19

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**More than 740,000 Maryland jobs  
are represented by global trading.**

Trade Partnership Worldwide LLC

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**655**

foreign companies  
engaged

73% increase  
FY17-FY19

## Maryland Delegations Attend Worldwide Conferences

### Maryland Commerce leads delegation to InfoSec Europe conference

For the third consecutive year, Maryland Commerce led a delegation to Information Security Europe 2019 in London. Known as Europe's leading information security conference, InfoSec attracts more than 19,500 industry professionals from around the world. Maryland's delegation included Baltimore Cyber Range in Baltimore City, Captiva Solutions in Greenbelt, Carson & SAINT in Bethesda, Cybrary in College Park, Identity Checkpoint in Pasadena, ITnova in Glen Burnie, and Penacity in Pasadena.

Following the conference, the delegation spent a day in the Midlands region, a leading cybersecurity cluster in the U.K. In 2017, Maryland Commerce signed a Memorandum of Understanding (MOU) with Midlands Engine to strengthen the relationship between Maryland and the Midlands region. Over the past two years, Maryland and Midlands Engine have built on the relationship established with the MOU, hosting cybersecurity businesses from the U.S. and the U.K. and making introductions to markets in each country.

### State leads delegation to Arab Health

Maryland Commerce led a delegation of Maryland companies to Arab Health 2019, the world's second largest health care exhibition. Held in Dubai, this is the sixth year Commerce has exhibited at the trade show, promoting the state's health care assets as well as a number of small and mid-size companies to a global audience.

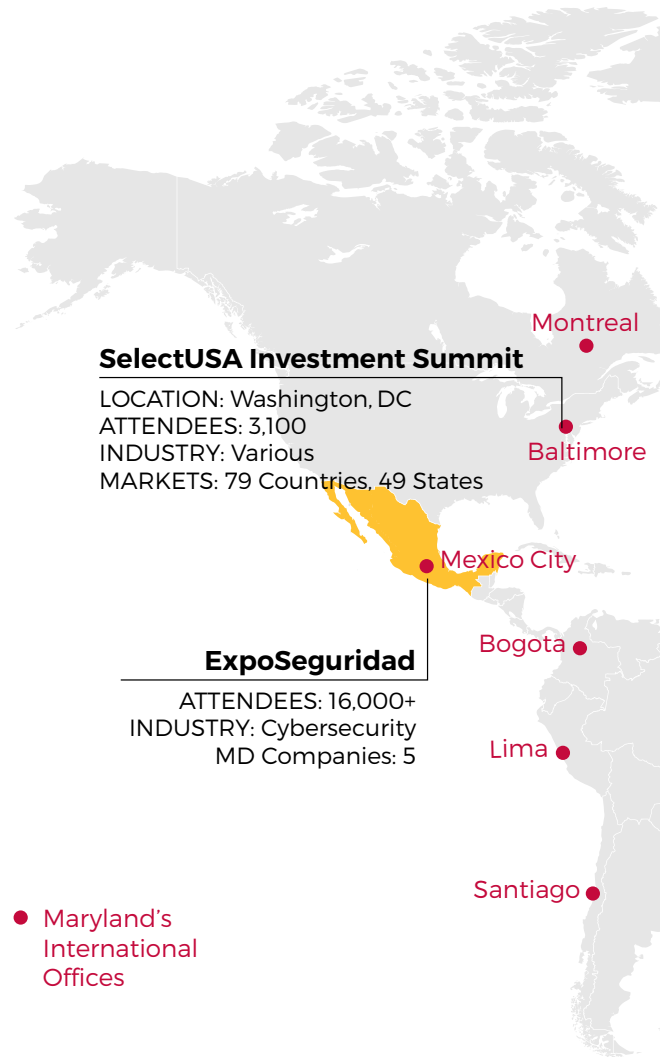
The 10 Maryland companies traveling to Arab Health this year included ACell Inc. (Columbia); Beluga Products (Silver Spring); ClickMedix (Gaithersburg); Health Solutions Research (Rockville); Integrated Pharma Services (Frederick); Man & Machine Inc. (Landover); mdlogix (Owings Mills); Shreis Scalene Sciences (Gaithersburg); Vivavoya (Bethesda); and 20/20 GeneSystems Inc. (Rockville).

### Maryland delegation attends MEDICA

For the ninth year, Maryland Commerce led a delegation of 11 Maryland companies to MEDICA 2018, the world's largest medical trade show, held every year in Dusseldorf, Germany. Escorted by Commerce's Office of International Investment and Trade -participation in the global trade show is part of a continuing strategy to boost trade and promote the state to overseas businesses. Maryland hosted a 72-square-meter booth with a full island to demonstrate company products and services at the show, which attracts more than 120,000 attendees from 130 countries.

83

companies awarded  
ExportMD grants



**"We've always appreciated the business-friendly environment here in Maryland and we are excited to be a part of the Maryland delegation at Arab Health. Our goal is to introduce our all-natural, vegan and halal nutritional supplements to a new audience in the Middle East, which would not be possible without support from the great team at the Maryland Department of Commerce."** Dave Jobes, Ph.D.,  
Beluga Products head of business development

The Maryland companies traveling to MEDICA included BC3 Technologies (Baltimore City); BioElectronics Corporation (Frederick County); BondTrue (Baltimore

**\$233M**

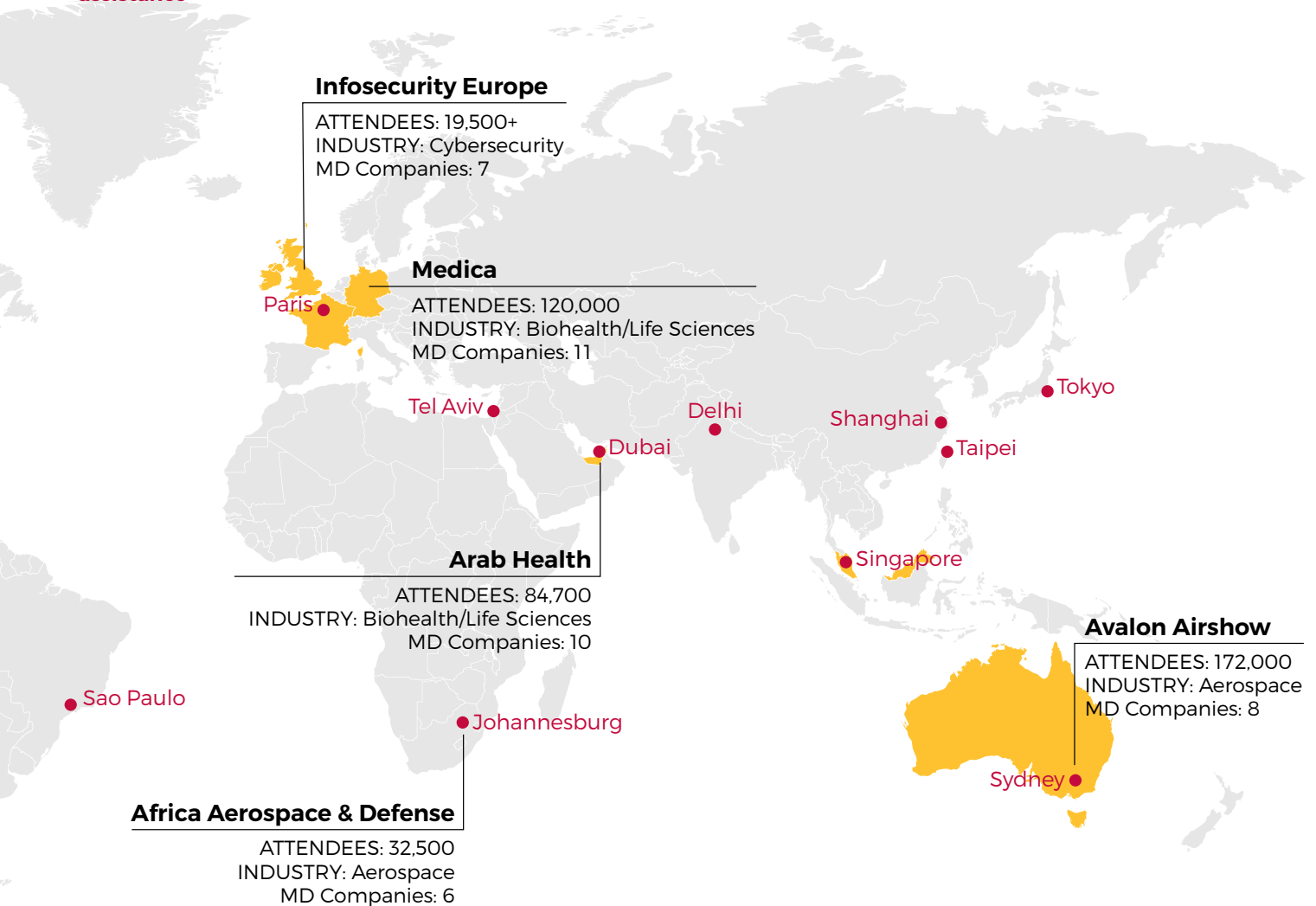
in export sales  
resulting  
from Commerce  
assistance

**100**

FlexEx services  
completed

**169**

companies given  
consulting/export  
assistance



County); EndoMaster Medical Inc. (Prince George's County); The Hali Group LLC (Baltimore City); IOB Medical (Montgomery County); IZI Medical Products (Baltimore County); PerSoN Clinic (Montgomery County); Steelyard Analytics (Montgomery County); Strouse Corporation (Carroll County); and Tetracore (Montgomery County).

### State delegation travels to security exhibition in Mexico City

Maryland Commerce led a delegation of Maryland companies to Expo Seguridad, the largest exhibition of security products and solutions in Latin America. Held in Mexico City, this is the second year Commerce has exhibited at the conference, promoting the state's technology and defense assets and assisting the delegation with expanding into the global marketplace.

**"The state of Maryland not only helped us exhibit in Mexico, but also made appointments for us to meet with U.S. Embassy staff and prospective Mexican partners. As a result, we are working with the embassy to roll out our 'Train the Trainer' program in the fall of 2019. We know we wouldn't have been in Mexico without Maryland Commerce's ExportMD program."** Michael S. Rogers, Securityhunter CEO

Five Maryland companies traveled to Mexico: Alertus Technologies, a leader in emergency mass notification systems located in Beltsville; RBtec, a Derwood manufacturer of fence protection and perimeter

security solutions; Securityhunter Inc., a Windsor Mill company committed to securing the nation through advanced electronic and information security solutions; Tansa Security, a certified entry and security system manufacturer providing location access control from Rockville; and Tecore Networks, a pioneer in communication solutions based in Hanover.

### **Maryland heads to Africa Aerospace & Defense**

Maryland Commerce guided a delegation of six companies to Africa Aerospace & Defense 2018 in Tshwane, South Africa, the largest exhibition of its kind on the African continent. This is the second time Maryland has led a delegation to this biennial trade show, which attracts attendees from over 100 countries. The companies exhibiting at the show include ABSI Defense (St. Mary's County); Avian (St. Mary's County); Department 13 (Howard County); Encore Solutions (Montgomery County); Maxtena (Montgomery County); and Murray Corp. (Baltimore County). Five of these companies received funding through Commerce's ExportMD program to travel abroad for the trade show. Additionally, each company is using the FlexEx program, through Maryland's international office in Durban, South Africa, to set up business meetings overseas. Learn about these programs and other resources for growing globally online. Find it at: [commerce.maryland.gov/exportMD](http://commerce.maryland.gov/exportMD)

### **State leads delegation to Australian aerospace & defense trade show**

Maryland Commerce led a delegation of Maryland companies to AVALON 2019, the Australian International Airshow and Aerospace & Defence Exposition held at the Avalon Airport in Geelong, Victoria. This is the second time that Maryland has attended the biennial trade show, which attracts private and commercial aviation, aerospace and defense, military, and government decision makers worldwide.

The eight Maryland companies traveling to AVALON 2019 were Orbis Technologies Inc. (Anne Arundel County); ASTec Metalworks (Baltimore County); Root3 Labs (Baltimore County); Phelps Industrial Products (Howard County); TCOM L.P. (Howard County); Maven Engineering Corp. (Montgomery County); Coherent Technical Services Inc. (St. Mary's County); and Tactical Air Support (St. Mary's County). Several of these companies received the state's ExportMD grant to help with the cost of travel and attendance at the show.

Joining the delegation for the first time this year is the Maven Engineering Corp., which began as a small trading company seven decades ago and is now a global transportation and defense industry expert in Rockville. The company provides spare parts and aftermarket supplies to the railroad, automotive, defense, industrial, oil and gas industries.

## **Building Bridges**



## Maryland and U.K. partner on life sciences sector

Maryland Commerce joined with the United Kingdom's Midlands Engine to sign a Memorandum of Understanding (MOU) to foster greater collaboration in the life sciences between the two regions. Maryland is one of the top states for life sciences in the U.S. with more than 2,300 companies, and Midlands Engine is home to the largest number of medical technology and device companies in the U.K.

The MOU was signed by Maryland Commerce Secretary Kelly M. Schulz and Sir John Peace, chairman of Midlands Engine, at the 2019 BIO International Convention in Philadelphia.

During 2019, Maryland Commerce also led a delegation of 10 Maryland life sciences companies to the Midlands region to help them explore exporting to the U.K. market, and held meetings with investors, partners, and potential customers. In addition, 10 U.K. companies from the Midlands region will visit Maryland to meet with local companies, health care systems and educational institutions for potential partnerships.

## Maryland attends Cybersecurity Week in the Netherlands

Presentations and matchmaking meetings by the director of the Maryland Commerce Office of International Investment and Trade at Netherlands Cybersecurity Week resulted in Dutch company Audittrail visiting bwtech@UMBC to attend its Executive Training Session. The CEO-level iCyberCenter@bwtech's Executive Training Program for overseas cyber entrepreneurs provides direct help to international cyber business leaders in order to accelerate their understanding of the US cyber market, develop the most effective US market entry business strategies, and to make critical introductions to potential buyers. Specialists in compliance management challenges, Audittrail is in the process of setting up in the iCyberCenter, joining already established iProov, an award-winning online biometric authentication company from the U.K.

The Maryland-Netherlands Cybersecurity Exchange Program, developed in 2016, continues to provide Maryland cybersecurity companies the opportunity to soft land for up to 90 days in the Hague Security Delta with Maryland's Dutch partners and receive office space and match-making services to promote the expansion of their business into Europe.

The first program of its kind in Maryland, the Soft Landing platform known as the iCyberCenter at bwtech@UMBC connects international companies with incubation and mentorship services in Maryland. Currently the center has more than 45 early stage and emerging cyber companies.

## Sweden and Maryland sign MOU



## Maryland and Israel launch MarketReach America™ Program

Maryland and Israel are joining together to launch MarketReach America™, a binational program to train business executives from Israeli medical technology startups on U.S. market entry. As part of the program, run by the Maryland/Israel Development Center (MIDC), the participants will travel to Maryland to meet potential customers and leading medical institutions to receive training on how to interact with key federal research and regulatory agencies. The program is being jointly funded by MIDC, Maryland Commerce, UMBC and the Israel Innovation Authority, with a grant from the Abell Foundation.

Between 15-20 Israeli startups from the medical device and digital health sectors will be recruited through a competitive application process, and once selected, the delegation of Israeli entrepreneurs will travel to Maryland for a two-week "customer discover" program, which includes meeting potential customers, distributors, technology experts and key industry opinion leaders. After training and collaboration entrepreneurs will return to Israel to complete their product development and then reconnect with the potential customers for initial U.S. market entry and sales, with the goal of opening an office in Maryland. The top three participating companies will be awarded one-year free office space in the University of Maryland, Baltimore BioPark in Baltimore City.

# Marketing and Communications

## Maryland Marketing Partner Highlight



An Exelon Company

### **BGE invests in our community and workforce**

BGE strives to build a highly qualified workforce that reflects the communities and customers they serve. Through workforce development initiatives and the support of existing programs, BGE creates an inclusive workplace where all employees can contribute, grow and learn. Check out these innovative programs:

**Smart Energy Workforce Development Program:** helps entry-level job candidates prepare for Construction and Skilled Trades (CAST) test preparation and ensures that entry-level opportunities are widely communicated, especially within diverse communities.

**Community-based CAST Test Preparation:** BGE utilizes a “train the trainer” approach to distribute CAST test preparation through local workforce development

organizations. BGE also partners with South Baltimore Learning Center where participants can potentially fill BGE and BGE contractor job openings.

**Enoch Pratt Library’s Mobile Job Center:** launched in 2017, the job center travels throughout Baltimore City neighborhoods to help job seekers apply for employment. It has helped nearly 10,000 people in Baltimore find jobs.

**Focus Forward Diverse Supplier Program:** helps small businesses—particularly diversity certified businesses—learn to better compete for contract opportunities. In 2018, 13 minority, women and veteran-owned companies graduated from the program. Since 2013, BGE has spent \$150 million+ with program participants.

## Maryland Marketing Partners

**The Maryland Marketing Partnership raises private funding to support and augment the state’s funding for marketing Maryland as a place to do business. The Partnership has 37 partners that have committed \$4.8 million to promoting Maryland’s business strengths.**

Headquartered in Baltimore, **BGE** is Maryland’s largest natural gas and electric utility, delivering power to more than 1.25 million electric customers and more than 650,000 natural gas customers in central Maryland. BGE is a subsidiary of Exelon Corp. (NYSE: EXC), the nation’s leading competitive energy supplier.

**St. John Properties, Inc.** is one of the largest and most successful privately held commercial real estate firms in the Mid-Atlantic. Headquartered in Baltimore, St. John Properties has developed, has constructed and owns more than 18.5 million square feet of office, flex/research & development, retail and warehouse space.

For more than a century, **Whiting-Turner** has been an integral part of infrastructure and development around Maryland and across the United States. The company is behind the building of marquee local projects, including M&T Bank Stadium, and buildings at University of Maryland, Baltimore, Maryland Institute College of Art, and the new Constellation

Energy headquarters in downtown Baltimore. The company’s portfolio also includes projects across the U.S. for companies in a variety of industries.

**Tradeport Atlantic** is a 3,100-acre multimodal industrial site in Baltimore that features unique access to deepwater berths, railroads and highways. The site, a terminal within the Port of Baltimore, is expected to generate thousands of jobs in Maryland.

**McCormick & Co.** is a global leader in flavor. It manufactures, markets and distributes spices, seasoning mixes, condiments and other products to the entire food industry, from retail outlets to food manufacturers and foodservice businesses.

**Howard Hughes Corp.** owns, manages and develops commercial, residential and mixed-use real estate. The company is comprised of master-planned communities, operating properties, development opportunities and other unique assets spanning 14 states from New York to Hawaii.

With a history that dates back more than 100 years, **Transamerica** is recognized as a leading provider of life insurance, retirement and investment solutions, serving millions of customers throughout the United States.

**The Maryland Economic Development Corp.** (MEDCO) was created by the State of Maryland’s General Assembly to serve as a statewide economic development engine. MEDCO works to increase business



## State's 'Open for Business' marketing campaign receives 2019 MEDA award

The state of Maryland's 'Open for Business' marketing campaign was recognized by the Maryland Economic Development Association (MEDA) for promoting Maryland as a great place to do business and highlighting the state's unparalleled assets. The award, which was given in the Economic Development Marketing – Large Community category, was presented to Maryland Commerce Secretary Kelly M. Schulz during the MEDA 2019 Annual Conference at the Hyatt Regency Chesapeake Bay in Cambridge. The MEDA Awards celebrate the people, projects and programs that are transforming lives, creating opportunities and enriching communities throughout Maryland.

The 'Open for Business' campaign tells Maryland's story through direct sales outreach, advertising, trade show attendance, brochures, videos, email campaigns, social media outlets, and the Open.Maryland.Gov website. The objectives for the campaign include increasing awareness of the advantages of locating a business in Maryland, improving the state's business image, and creating more jobs for residents. Since launching in 2017, the campaign has reached more than 230 million people, with more than 80 percent of web traffic coming from out of state.



activity, advance economic development, encourage charitable and cultural activities, enhance workforce development and promote Maryland's economic viability.

Based on Maryland's Eastern Shore, **Perdue Farms** has been a family-owned company for three generations. Today, the company creates products for consumers, and retail and foodservice customers around the globe.

**Howard Bank** is a full-service commercial bank focused on making a difference within the communities of Greater Baltimore. Historically, the bank has focused on combining high touch outreach with expert advice and a broad array of commercial services for growing small and medium-sized businesses.

**Peterson Cos.** offers fully integrated development and management services for commercial, office, residential and retail real estate. The company is responsible for prominent and successful mixed-use retail, residential and office developments in Maryland, including in National Harbor and Downtown Silver Spring.

**Legg Mason** is a diversified global asset management firm. Through ongoing product innovation and steadfast client service, Legg Mason has become a world leader in asset management.

**T. Rowe Price** is an asset management firm focused on delivering global investment management excellence that investors can rely on. Since 1937, the company has sought to help clients invest confidently to create secure financial futures.

**KELLY & Associates** delivers insurance, benefits, payroll, and HR and workforce management solutions to help strengthen businesses while saving their clients time and money. As a trusted partner, KELLY helps clients navigate the complexity and hassle often experienced with HR and workforce management.

**Merritt Cos.**, comprised of Merritt Properties, Merritt Clubs and Merritt Construction, owns and manages more commercial space than any privately held developer in the Baltimore/Washington area: nearly 16 million square feet in more than 70 locations. The company, celebrating its 50th year in business in 2017, employs more than 1,000 people.

The **University of Maryland Medical System** is a university-based regional health care system. As one of the largest private employers in the state, the health system's 25,000 employees and 4,000 affiliated physicians provide primary and specialty care.

**W.R. Grace and Co.** is a globally integrated product development and manufacturing company. Partnering with many of the world's most recognized brands, the company develops, manufactures, licenses and supports industry-leading technologies.

Established in 1884, **Donohoe** has a long history of serving the region with an array of real estate services. The company, which announced in 2016 it was moving its headquarters from Washington, D.C., to Maryland, offers services in construction, real estate, hospitality, development and facilities management.

## Marketing Maryland—Open for Business

Commerce works closely with the **Maryland Marketing Partnership Board** to implement the Open for Business Campaign. The Open for Business campaign promotes Maryland as a great place to do business through a combination of advertising, trade shows and events, and digital promotions.

**Industry Targets:** Cybersecurity, Life Sciences, Advanced Manufacturing, Financial Services, Aerospace and Defense

**National Target Markets:** NY, MA, PA, DC, VA, NC, FL, CO, TX, CA

**Key Media Outlets:** WSJ, Wired, Fast Company Inc. Magazine, Site Selection and Area Development

**Campaign Surveys:** Regular business surveys are a key component of the campaign strategy. The latest business survey was conducted in Spring of 2019.

## Key survey takeaways:

- 29% of in-state businesses surveyed recalled seeing the campaign and 25% from out-of-state
- Business publications, radio/Pandora and newspapers were listed as most recalled media placements
- Visionaries ad with cityscape and the sailboat ads performed the highest
- 56% of in-state business say Maryland is a very good place for business
- 40% of out-of-state businesses say Maryland is a very good place for business
- 3 most recalled messages (35% or greater)

## Maryland makes for smart investment

**In Maryland, you can hire from a diverse and talented workforce**

**Maryland is home to NIH, FDA, and 74 federal labs**

- Of the businesses considering expansion, 74% have some interest in Maryland and 36% of non-Maryland businesses would be very interested in Maryland



## Maryland Marketing Partners (cont'd)

The **Bozzuto Group** is a privately held, integrated real estate services organization. The company has built 42,000 residences to date while maintaining the utmost respect for the environment. The Greenbelt-based company was named 2017 Multifamily Development Firm of the Year by the National Association of Home Builders.

**Morgan Stanley** is a leading global services firm providing investment banking, wealth management and investment management services. Over the past decade, Morgan Stanley has established a strong footprint in Maryland through continuous growth of its Baltimore operations.

**Weller Development** is a privately owned real estate development firm that places human-centered design at the center of its brand and is at the forefront of responsive environments and human-centric destinations—a method realized in its latest development venture, Port Covington.

**Port Covington** is a 235-acre master-planned, mixed-use redevelopment project, with a prime location on the waterfront in Baltimore City. As one of the largest urban renewal efforts in America, the development of Port Covington will have a fundamental and far-reaching positive impact on Baltimore's economy and future.

**Clark Construction** is a local builder with national reach. Over the course of a century, Clark has grown from a small excavator into one of the nation's most capable and trusted providers of construction services.

The company's portfolio features projects ranging from intricate interior renovations to complex civil operations.

**Brown Advisory** is an independent investment management firm delivering a combination of first-class performance, strategic advice and the highest level of client service. The firm's institutional and private clients are based in 50 states and more than 36 countries and territories and are served by over 500 colleagues worldwide, all of whom are equity owners of the firm.

A Baltimore landmark since 1943, **H&S Bakery** has grown from a small bakery to a dominant figure in the foodservice industry. The company carved out a niche for itself in the specialty bread category, offering many hearth-baked Italian, French and Sourdough breads for traditional European flavor and crust. The flourishing company has operations in seven states and distribution in 23 states.

**H&S Properties** is a visionary development company behind many critical projects throughout Maryland, including Baltimore's Harbor East, a vibrant waterfront neighborhood that is a premier destination for national employers, successful retailers, and sophisticated visitors and residents.

**Royal Farms** strives to be the "Quick & Friendly" restaurant of choice by offering the Mid-Atlantic region quality, freshly prepared foods, convenience products, and Value-priced-fuel. The Baltimore-based brand proudly serves World-Famous Royal Farms Chicken, which Food & Wine deemed a "best fast-food fried chicken."

## Maryland Marketing Partnership Board

**Karen Cherry**, Vice President, Office Leasing, The Howard Hughes Corporation

**Henry Fawell**, Founder and President, Campfire Communications

**Keasha Haythe**, Business Development Associate, Anne Arundel Economic Development Corporation

**Joshua Martin**, Controller, Volvo Group

**Justin Meighan**, Assistant Regional Manager, LiUNA! Mid-Atlantic Region

**Ammanuel Moore**, Economic Development Manager, BGE

**Eric Nielsen**, President, Association of Maryland Pilots

**Paul Nolan**, Vice President of Tax and Government Affairs, McCormick & Co.

**Leonard Raley**, President and CEO, University System of Maryland Foundation

**Tom Sadowski**, Vice Chancellor of Economic Development, University System of Maryland

**Kelly Schulz**, Secretary, Maryland Department of Commerce

**Angela Sweeney**, Vice President and Chief Marketing Officer, Peterson Companies

**Aaron Tomarchio**, Vice President of Corporate Affairs, Tradepoint Atlantic

**Laura Van Eperen**, CEO, Van Eperen

### Ex officio

**Senator Cheryl Kagan** (District 17; appointed by Senate President)

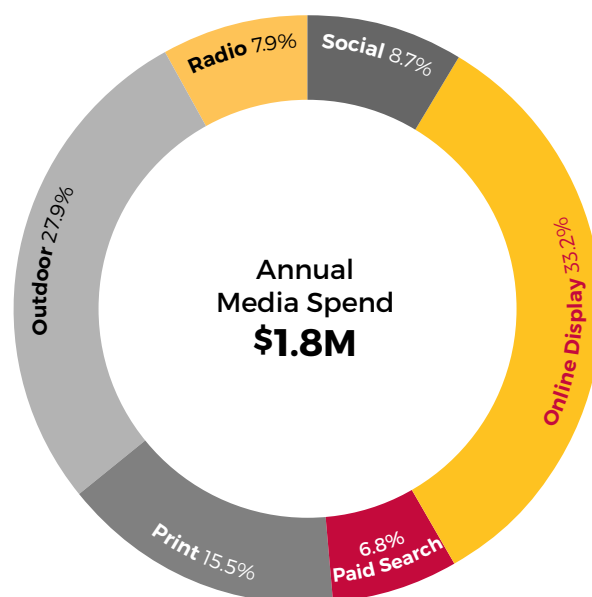
**Delegate Kris Valderrama** (District 26; appointed by House Speaker)

**Tom Riford**, Executive Director, Maryland Marketing Partnership

Assistant Secretary, Maryland Department of Commerce; Division of Tourism, Film and the Arts, Division of Marketing and Communications

**100M+**  
reached each year  
through advertising

- Number of external events **47**
- Total audience reach at shows **638,195**
- Number of engagements on social networks **1.2 million**
- Dollars leveraged for every dollar spent **\$1.40**
- Open rate of the Business Pulse newsletter **16%**
- Social networking audience size **40,706**
- Number of unique email subscribers **19,354**
- Number of unique web visitors **465,375**
- Value of creative projects on the open market **\$398,000**
- Earned Media Value **\$1.8 million**



**Ellin & Tucker** specializes in auditing, accounting, tax, business consulting, business valuation and forensic accounting services. The firm is known for handling its clients' complex issues and offering highly specialized expertise in traditional and rapid growth industries.

**Miles & Stockbridge** is a leading law firm with offices throughout the Mid-Atlantic region. The firm's lawyers help global, national, local and emerging business clients preserve and create value by helping them solve their most challenging problems.

**M&T Bank Corp.** is a bank holding company that operates more than 775 retail and commercial branches in eight states, D.C., and Canada. M&T Bank provides products and services related to commercial banking, retail banking, business and professional banking, investment banking and mortgage banking.

**Harkins Builders** is an industry leader in professional preconstruction and construction management services for clients with negotiated and design-build construction projects. Harkins has a diversified portfolio and is committed to high-quality work and exemplary customer service.

**Alban CAT** is a complete source for CAT® machines, generators, marine and industrial engines, and parts and services in the Mid-Atlantic region. Headquartered in Baltimore, Alban CAT has 18 locations throughout the region, all committed to providing the products and support to help their customers maximize their productivity.

**Cisco** (NASDAQ: CSCO) is the worldwide technology leader in networking for the Internet, employing 35,000 employees in more than 115 countries.

Cisco's networking solutions connect people—85 percent of Internet traffic travel across Cisco's systems—allowing people to access or transfer information without regard to differences in time, place or type of computer system.

**Kaiser Permanente** is one of the nation's largest not-for-profit health plans. The company comprises Kaiser Foundation Hospitals and its subsidiaries, Kaiser Foundation Health Plan Inc. and the Permanente Medical Groups. The company has a large footprint in the Mid-Atlantic region, with over 700,000 health plan memberships.

**MedStar Health** is a nonprofit, community-based health care organization serving Maryland and the D.C. area. Each year, MedStar Health serves more than a half-million patients across the region in its hospitals, urgent care, and ambulatory care facilities, and physicians' offices.

Working exclusively with universities, academic medical centers, and major research institutions, **Wexford Science & Technology** creates vibrant, mixed-use communities that build on a foundation of discovery, innovation and entrepreneurial activity to create visible outcomes in the form of substantial economic growth, new and diverse jobs, and community transformation.

**CyberCore Technologies** is a leading provider of secure supply chain management and cyber solutions focused on protecting the customers' environment from external and internal threats. CyberCore provides value-added services, professional services, and managed services for government and commercial customers.



# OPEN FOR BUSINESS

Maryland makes the extraordinary.

Maryland's 3,900 manufacturers use advanced materials, processes and machinery to develop products such as sensors, unmanned and autonomous systems, medical devices, defense electronics, aeronautics, specialty chemicals and capital equipment. Let's talk business.

Open.[Maryland.gov/manufacturing](https://open.maryland.gov/manufacturing)



# OPEN FOR ARCHITECTS



Vacations are more memorable here in Maryland, from our monuments to monumental waterscapes. Plan your trip today and be open for exploring more than 3,100 miles of shoreline. We're open for you. As long as you're

**OPEN FOR IT**  
[visitmaryland.org](http://visitmaryland.org)



Larry Hogan,  
GOVERNOR

# Tourism, Film and The Arts

## ‘Open For It’

The Maryland Office of Tourism unveiled its newest advertising campaign, built around the tagline, “Maryland—Open For It.” The campaign’s tagline was developed to complement Commerce’s “Open For Business” campaign. To accompany the launch, video and still photography were shot around the state on location at Baltimore City, the Gunpowder River, Baltimore County, Harford County and Assateague. Television spots featuring the state’s water-based and culinary experiences were developed to run in target markets including the New York metro area, Philadelphia, Harrisburg, Pittsburgh, Cleveland, Washington, D.C., and Baltimore. Print advertising in national and regional magazines, as well as companion radio, digital and social media campaigns were also developed as part of the media mix. The “Open For It” campaign was developed by the Tourism Office’s agency of record—Columbia, Maryland-based Marriner Marketing Communications.

## By the Numbers

In FY18, Maryland was the destination of choice for 41.9 million visitors. Those visitors spent \$18.1 billion in 2018, up \$370 million (2.1 percent) from the previous year, according to Economic Impact of Tourism in Maryland conducted by Tourism Economics, an Oxford Economics company. This year marks nine straight years of visitor spending growth—more than 4 percent over 2009 results. Of the total visitor spending, \$2.5 billion in state and local taxes were generated by visitors, essentially saving each Maryland household \$1,140 yearly in taxes.

## On Film

Since the inception of the Film Production Activity Tax Credit in 2011, 13 productions have resulted in an economic impact of \$890 million in Maryland. These productions directly hired an average of 1,168 Maryland residents per production, and directly purchased or rented goods or services from 1,360 Maryland businesses per production. In FY 2019, Sony Pictures filmed the Jada Pinkett Smith-produced movie “Charm City” in Maryland. In addition, the film “Hope’s Legacy” was the first production to be approved for the Maryland Small Film Tax Credit, and Maryland Commerce received a commitment from a major cable network for a high-impact series, which began production in the fall of 2019.





## Digital Advertising

In November 2018, the Maryland Office of Tourism launched "Home for the Holidays," a seven-week digital marketing campaign targeted to encourage visitors coming to Maryland for the holiday season to stay in a hotel rather than on the family couch or crowding into a childhood bedroom. Tourism partnered with the hotel community to develop special holiday overnight packages, which were listed on the VisitMaryland.org website and promoted through a quirky, fun, creative digital campaign. Hotel room bookings were tracked through Adara and TripAdvisor. With a total expenditure of twenty thousand dollars, 11,922 room nights were booked, for a total attributable revenue of \$1,538,045. Also, the second annual "Summer of Music" promotion ran from May through September. A varied collection of multi-day music concerts and festivals around the state designed to encourage overnight stays, the "Summer of Music" was marketed through a dedicated digital campaign as well.

## Public Relations Outreach

The Communications/PR team took part in hosting several FAM tours with multiple tourism partners,

bringing international journalists into Maryland for first-hand experiences around the state. Writers from the U.K. visited Frederick and Allegany counties, writers from Germany toured Wicomico and Worcester counties, writers from France experienced Baltimore and Annapolis, and writers from Canada saw Chesapeake City, Havre de Grace, Rock Hall and Annapolis. Television appearances by Tourism staff included promoting the OC Air Show in Ocean City, various concerts that were part of the "Summer of Music," Maryland's water sports assets, historical sites that were part of the "Open For Time Travelers" promotion, the Crab & Oyster Trail, the Great Chesapeake Bay Loop, and state parks. PR staff also accompanied a TV crew from Cleveland on a three-day taping tour of sites and attractions in Calvert County, including North Beach, Chesapeake Beach, Calvert Cliffs State Park and Solomons.

## New Great Wolf Lodge location announced

Great Wolf Lodge selected Cecil County as the next location for one of its popular family adventure resorts, and announced a construction start of early 2020. The \$200 million project will provide 1,000 construction jobs, 500 permanent jobs, and a projected \$86 million in annual economic impact in Cecil County. The project



will have a large impact on tourism in Cecil as well, through county lodging taxes, and also state sales taxes, and admissions & amusement taxes. In addition, the Fair Hill equestrian facility in Cecil County was designated as an official five-star eventing location, becoming only the second in the U.S. and the seventh worldwide. Construction on the project got under way in 2019.

### **National Folk Festival**

Salisbury welcomed the nation as the host city for the National Folk Festival, the first year of a three-year run in the Lower Eastern Shore town. The festival brought more than 350 artists to Maryland, ranging from musicians to dancers to craftspeople. The event took over the downtown area for three days with seven stages, a festival marketplace, food vendors and interactive booths. The festival attracted nearly 70,000 attendees, with an economic impact of more than \$18 million in visitor spending.

### **MSAC—Celebrating Change**

To ensure that Maryland State Arts Council (MSAC) is more proactively and inclusively engaged with arts organizations and artists across Maryland, professional development meetings were held through Regional

Arts Institutes and Creative Conversations at seven statewide locations as well as through webinar opportunities for technical assistance. Constituent feedback through these professional development opportunities provided the basis for program revisions. In June, the inaugural Maryland Arts Summit, created in partnership with Maryland Citizens for the Arts, the Maryland State Department of Education, and the Arts Education in Maryland Schools Alliance, was the first conference of its kind for the entirety of Maryland's arts sector. The Summit included more than 70 professional development sessions, presented by 150 arts leaders for more than 400 participants. In July, the city of Crisfield in Somerset County was officially designated as Maryland's 26th Arts & Entertainment District. And finally, MSAC announced its plans to move to a new facility. The new offices will include exhibition and performance space to showcase Maryland artists, as well as workspaces and conference rooms for staff activity, constituent professional development, and creative convenings, demonstrating the state's commitment to a creative economy and support for innovation.



# Financials Fiscal Year 2019

## Commerce Actual Expenditures

|                                                      |                      |
|------------------------------------------------------|----------------------|
| Office of the Secretary (including Attorney General) | \$ 3,054,100         |
| Office of Policy, Research, & Government Affairs     | 1,646,159            |
| Office of International Investment & Trade           | 3,342,419            |
| Division of Marketing & Communications               | 2,236,068            |
| Maryland Marketing Partnership                       | 2,000,000            |
| Division of Administration & Technology              | 3,953,489            |
| Office of Military & Federal Affairs                 | 2,560,604            |
| Division of Business & Industry Sector Development   |                      |
| Operations                                           | 12,879,640           |
| Financing and Education and Training                 | 36,215,228           |
| Tax Credits                                          | 24,000,000           |
| Division of Tourism, Film & the Arts                 |                      |
| Office of the Assistant Secretary                    | 689,870              |
| Office of Tourism Development                        | 3,592,103            |
| Maryland Tourism Development Board                   | 9,550,000            |
| Maryland State Arts Council                          | 22,586,013           |
| Preservation of Cultural Arts Program                | 800,000              |
| <b>TOTAL</b>                                         | <b>\$128,747,032</b> |

## FY2019 Contract Awards and Procurement Activity

### Contract Awards—Minority Business Enterprises (MBE)

|                                              |             |
|----------------------------------------------|-------------|
| Total value of contracts awarded to MBEs     | \$105,591   |
| Total value of all contracts awarded         | \$8,927,487 |
| MBE awards as percent of all contract awards | 1.18%       |

### Procurement Activity Small Business Reserve (SBR) Program

|                                                        |             |
|--------------------------------------------------------|-------------|
| Total procurement payments to SBR contractors          | \$1,052,776 |
| Total procurement payments                             | \$3,807,156 |
| Payments to SBR contractors as percent of all payments | 27.7%       |

All totals are preliminary results pending review and approval by Governor's Office of Small, Minority & Women Business Affairs

Note: All procurement expenditures that are exempt from state report requirements are excluded from the above totals.

\*Includes Women Business Enterprises (WBE)

\*\*Preliminary results

## Tax Credits

### Biotechnology Investment Incentive Tax Credit (FY19)

- 23 QMBCs\* assisted
- 110 investor applications approved
- \$12 million in tax credits issued
- \$23.5 million leveraged

### Employer Security Clearance Costs Tax Credit (TY17)

- 73 businesses certified
- \$16.7 million in employer security clearance costs
- \$2 million in credits awarded

### Wineries and Vineyards Tax Credit (TY17)

- 41 businesses certified
- \$2.3 million in wineries and vineyards capital expenditures
- \$500,000 in credits awarded

### Cybersecurity Investment Tax Credit (FY19)

- 2 QMCCs\*\* assisted
- 14 investor applications approved
- \$430,650 in tax credits issued
- \$1.3 million leveraged

### Enterprise Zone Program

- 38 Enterprise Zones as of June 30, 2019
- 685 businesses to receive real property tax credits
- \$60.24 million in real property tax credits
- \$4.8 million in income tax credits claimed in TY2016

### Job Creation Tax Credit

- 21 businesses certified
- 602 jobs created
- \$50.7 million in payroll

### Research & Development Tax Credit (TY17)

- 358 business certified
- \$2.13 billion in qualified R&D expenses
- \$12 million in credits awarded

### One Maryland Tax Credit

- 2 certificates issued
- \$2.99 million in project costs
- 78 jobs created
- \$3.5 million payroll

\*Qualified Maryland Biotechnology Companies

\*\*Qualified Maryland Cybersecurity Companies

For complete program reports, visit [commerce.maryland.gov](http://commerce.maryland.gov)

## Financial Assistance Projects Approved FY19

| Approved                  | Number of Projects | Loan/Grant Amount   | Loan Guarantee Amount | Total Project Costs/Private Sector Dollars Leveraged | Jobs Created | Jobs Retained | Projected Trainees |
|---------------------------|--------------------|---------------------|-----------------------|------------------------------------------------------|--------------|---------------|--------------------|
| <b>AdvantageMD/MEDAAF</b> | 19                 | \$9,695,000         | \$0                   | \$552,715,000                                        | 2,509        | 1,081         | N/A                |
| <b>MIDFA*</b>             | 2                  | \$34,509,000        | \$950,000             | \$36,666,000                                         | —            | 55            | N/A                |
| <b>MSBDFA*</b>            | 33                 | \$13,031,919        | \$3,003,355           | \$17,103,618                                         | 193          | 168           | N/A                |
| <b>MPVOLF</b>             | 3                  | \$150,000           | \$0                   | \$150,000                                            | 77           | 37            | N/A                |
| <b>PWQ</b>                | 37                 | \$1,183,894         | \$0                   | \$2,305,993                                          | 122          | 2,755         | 1,675              |
| <b>SMWOBA</b>             | 73                 | \$11,628,839        | \$0                   | \$21,587,227                                         | 491          | 462           | N/A                |
| <b>Total Approved</b>     | <b>167</b>         | <b>\$70,198,652</b> | <b>\$3,953,355</b>    | <b>\$630,527,838</b>                                 | <b>3,392</b> | <b>4,558</b>  | <b>1,675</b>       |

\*Bond issuances and private sector loans

**MEDAAF** – Maryland Economic Development Assistance Authority and Fund

**MIDFA** – Maryland Industrial Development Financing Authority

**MSBDFA** – Maryland Small Business Development Financing Authority

**MPVOLF** – Military Personnel and Veteran-Owned Loan Program

**PWQ** – Partnership for Workforce Quality

**SMWOBA** – Small, Minority & Women-Owned Business Affairs

## Additional Finance Programs:

### Maryland State Arts Council Grants FY19

|                                 |                     |
|---------------------------------|---------------------|
| Grants for Organizations        | \$14,652,418        |
| Community Arts Development      | \$3,345,039         |
| Arts in Education               | \$484,247           |
| Individual Artist Awards        | \$246,000           |
| Maryland Traditions             | \$45,000            |
| Folklife Network                | \$300,006           |
| Public Art                      | \$101,925           |
| Maryland Presenting and Touring | \$75,713            |
| Arts & Entertainment Districts  | \$286,439           |
| Creativity Grants               | \$191,123           |
| <b>Total Grants</b>             | <b>\$19,727,910</b> |



# Getting to know you



**"Prosperity with a Purpose" was at the heart of Secretary Schulz's County visits as she began her County Collaboration Tour. Beginning in April 2019 the Secretary visited 6 counties to listen, learn and talk about collaborative ways to turn challenges into opportunities and change lives for the better, sometimes in big ways, sometimes in small ways. The tour continued in FY2020 and will stay the course until each and every county's voice is heard.**



**“There is no greater driver of economic growth than our small businesses and entrepreneurs. They foster the creativity and innovation that makes Maryland a great place to do business.”**

Secretary Schulz



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The World Trade Center  
Baltimore, Maryland 21202  
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Larry Hogan, Governor

Boyd Rutherford, Lt. Governor

