FISCAL YEAR 2019 ANNUAL REPORT

OF THE

MEDC
MARYLAND
ECONOMIC DEVELOPMENT
COMMISSION

As required by §2.5-201-207 (a), Economic Development Article, Maryland Annotated Code

Respectfully submitted to the General Assembly of Maryland by

Anirban Basu, Chairman

Julie Woepke, Executive Director

Secretary Kelly M. Schulz, Commerce

401 East Pratt Street

Baltimore, MD 21202

December 2019

Maryland

Larry Hogan, Governor | Boyd Rutherford, Lt. Governor

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MEDC Background

On April 28, 2015, Governor Larry Hogan signed into law House Bill 943, which restructured the Maryland Department of Business and Economic Development and renamed it the Maryland Department of Economic Competitiveness and Commerce. The Department was renamed the Department of Commerce ("Commerce") by Executive Order effective on October 1, 2015, the same date that the legislation became effective. The legislation also reformed the Maryland Economic Development Commission (MEDC) by expanding its membership and role. Under the legislation, which became Sections 2.5-201 through 2.5-207 of the Economic Development Article of the Maryland Annotated Code, the purpose of the Commission is to:

1) establish economic development policy in the State;
2) advise the Commerce Secretary on economic policy in the State;
3) oversee the operations of the Department and its units including the Department's efforts to support the creation of, attract, and retain businesses and jobs; and
4) monitor the operations of the Maryland Technology Development Corporation, the Maryland Economic Development Corporation, and the Maryland Public-Private Partnership Marketing Corporation, including the efforts of those entities to support the creation, attraction, and retention of businesses and jobs. (see Section 2.5-202)

Membership

The MEDC is comprised of 25 voting members from all regions of Maryland, appointed by the Governor, Senate President, and House Speaker, two non-voting members, one appointed by the Senate President and one by the House Speaker; and four non-voting ex-officio members who represent Commerce, the Department of Labor, the Maryland Economic Development Corporation (MEDCO), and the Technology Development Corporation. (TEDCO). The Commission is responsible for developing economic policy recommendations that foster economic growth and increase Maryland's competitiveness. Commission members work with the Administration, the General Assembly, Maryland's business community and the general public to advocate pro-business policies. (See Appendix A for membership listing.)

The Commission is chaired by Mr. Anirban Basu, Chairman and Chief Executive Officer of Sage Policy Group, Inc., an economic and policy consulting firm in Baltimore, Maryland. Mr. Basu is a nationally recognized economist, recently focusing on health economics, the economics of education and economic development. As of December 2018, the Department of Commerce has been led by Secretary Kelly M. Schulz, who directs the implementation of strategies to foster economic growth and increase Maryland's competitiveness.

Two (2) informal Subcommittees were active during 2019. The Strategic Plan Subcommittee, Co-Chaired by Aris Melissaratos and Laura Neuman and the Ranking and Research Subcommittee led by J. Edward Coleman. Over the course of 2019, the Strategic Plan Subcommittee revisited the goals of the 2016 Strategic Plan and met with Commerce team members for industry updates, approaches and recommendations; reviewed feedback collected from the Secretary's County Tours; and observed industry trends. It was the consensus of the Subcommittee to recommend supporting the 2016 Strategic Plan goals that have contributed to

the current state and success of the Department and be taken to the next level. A Draft Addendum to the 2016 Strategic Plan was presented to the Commission at its December 9, 2019 meeting and is currently under review by the Commissioners.

The Rankings and Research Subcommittee, chaired by Mr. Ed Coleman continued to track relevant rankings as indicators of the State's competiveness, business attraction and retention that was presented at each meeting of the Commission. This Subcommittee presented the data as a Scorecard. (See Appendix B for latest 2019 Scorecard.)

2019 Meetings

The Commission held meetings on March 15, June 13, September 17 and December 9, 2019. The meetings were held at several locations. The March meeting was held at Fast Forward U at Johns Hopkins University. The May meeting was held at Founders Room at the Frederick Douglass – Isaac Myers Maritime Park, Baltimore. The September meeting was held at the Governor's Reception Room in Annapolis. The December meeting was held at Merriweather District of Columbia. (Meeting Minutes are found in Appendices C-F.)

2020 Meetings

The Commission's meetings for 2020 have been scheduled for March 9, May 8, September 8 and December 14. All meeting dates, agendas and minutes are posted on the Department of Commerce website.

Closing Statement

In 2016, MEDC adopted the following Vision:

"Our mission is to create an economic development culture in Maryland that will maximize our great assets and create quality jobs. We will Retain, Grow and Attract companies through outstanding customer service while creating the highest level of prosperity for all Marylanders. We will be one of the best states in America to live, work and play."

Under Commerce Secretary Kelly M. Schulz, the guiding principle of the Department of Commerce is "Prosperity with a Purpose." The Commission supports Secretary Schulz and this principal which represents that while the state uses the tools of economic development to create and support prosperity, job creation and business growth in Maryland, the ultimate goal is to empower the people who work in the state to build better lives for themselves and their families.

Through Annual Progress Reports, monitoring updates to the economic indicators Scorecard, and engagement with the Department of Commerce, the MEDC will continue to evaluate and advise the Department and Administration on strategies and tactics to position the Department as an operational center of excellence to support robust economic prosperity throughout the state.

APPENDIX A

MEDC VOTING AND NON-VOTING MEMBERS

Anirban Basu, Chairman; Chief Executive Officer, Sage Policy Group
Martin Brunk, CPA, Vice-Chair; Office Managing Partner, RSM US, LLP
Kenneth R. Banks; President, Chief Executive Officer and Founder, Banks Contracting Company, Inc.
Howard B. Bowen; Chief Executive Officer, Ewing Oil Company
Scott Burger, Chief Executive Officer, Lolli and Pops
Ed Coleman; Board Member, Ciox Health
Annemarie Dickerson; Owner, Francis Scott Key Family Resort
Joshua Greene; Vice President, A.O. Smith Corporation
Kai Hirabayashi, Senior Manager of Public Policy, Amazon
Martin Knott, Jr.; President, Knott Mechanical, Inc.
Manish Kothari; President/Chief Executive Officer, Sheladia Associates, Inc.
Julie Lenzer; Former Executive Director, Maryland Center for Entrepreneurship
Aris Melissaratos; Former Secretary of the Maryland Department of Business and Economic Development
Michael Miller, President, OGOS Energy, LLC
Laura Neuman, Entrepreneur
Jeanette Glose Partlow, President, Maryland Chemical Company
Elizabeth Rendón-Sherman; Chief Executive Officer/Chief Financial Officer, LG-TEK
Robert L. Wallace; President and Chief Executive Officer, BITHGROUP Technologies
Julian B. Wills, Jr.; Chairman, President and CEO, The Wills Group, Inc.
Margaret Wood, Ph.D., WOOD consulting Services, Inc.

Non-voting ex-officio Members
Kelly M. Schulz.; Secretary, Department of Commerce
Tiffany Robinson: Secretary Department of Labor
Brian J. Feldman; Senate, District 15, Montgomery County
Brian Crosby, Delegate, District 29B, St. Mary's County
Robert Brennan; Executive Director of Maryland Economic Development Corporation (MEDCO)
Stephen Auvil; Executive Vice President, Programs and Operations, Maryland Technology Development Corporation (TEDCO)

Commerce Support:
Julie Woepke, Executive Director, MEDC, Office of the Secretary

APPENDIX B – Scorecard, December 2019 (attached)

APPENDIX C

MEDC
MARYLAND
ECONOMIC DEVELOPMENT
COMMISSION

March 15, 2019
Fast Forward U, Johns Hopkins Technology Ventures
320 W. 29th Street, Suite 200
Baltimore, MD 21211
12:00pm – 2:00pm
Minutes

Commissioners in attendance:

Anirban Basu	MEDC Chair, Sage Policy Group
Marty Brunk	MEDC Vice Chair, RSM
Ken Banks	Banks Contracting, Inc.
Howard Blackwell "Blackie" Bowen	Ewing Oil
Ed Coleman	Ciox Health
Kai Hirabayshi	Caterpiller, Inc.
Manish Kothari	Sheladia Associates, Inc.
Julie Lenzer	UM Ventures
Aris Melissaratos	Stevenson University
Laura Neuman	Entrepreneur
Jeannete Glose Partlow	Maryland Chemical Company
Elizabeth Rendón-Sherman	LG-TEK
Robert Wallace	BITHGROUP Technologies
J. Blacklock Wills	The Wills Group
Margaret Wood	Wood Consulting

Ex-Officio Members:

Acting Secretary James Rzepkowski	Department of Labor, Licensing and Regulation (DLLR)
Secretary Kelly Schulz	Department of Commerce
Robert Brennan	Maryland Economic Development Corporation (MEDCO)

Guests:

Christine Ross	Maryland Chamber of Commerce
Michele Whelley	Economic Alliance of Greater Baltimore
Chris MacLarion	Department of Labor, Licensing, and Regulation (DLLR)
Ed Brake	Economic Alliance of Greater Baltimore
Allison Mayer	Office of the Governor
Meredith Wimbrow	Office of the Governor
Stephen Auvil	Maryland Technology Development Corporation (TEDCO)
Christy Wyskiel	Johns Hopkins University

Commerce Staff:

Ben Wu	Deputy Secretary/Chief Operating Officer (COO)
Julie Woepke	MEDC Executive Director
Kyle McColgan	Special Assistant
Jayson Knott	Senior Director, Business and Industry Sector Development
Rhonda Ray	Managing Director, Policy, Research and Government Affairs
Nancy McCrea	Director of Research
Julie Miller	Digital Marketing Manager
Andrea Salizzoni	Executive Associate

I. Call to Order

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

II. Welcome

Ms. Christy Wyskiel, Senior Adviser to the President, Johns Hopkins University, welcomed Commissioners and guests to the University's latest Fast Forward U student incubator. Ms. Wyskiel gave an overview of the venture capital landscape supporting start-up businesses and technology commercialization from the University. She discussed with the Commissioners a comparison of other states and the need for Maryland to increase investment capital in Baltimore City and throughout the state.

III. Chairman's Updates

Chairman Basu gave an overview of the current state of Maryland's economy emphasizing the unemployment rate of 3.7%. He referenced the latest U Haul survey, a sign of migration, which ranked Maryland 6th of all states with more inbound than outbound moves. Maryland ranked better than the District of Columbia and has become a magnet for District residents seeking an affordable first starter home.

IV. Review and Acceptance of December 6, 2018 Meeting Minutes

Upon motion duly made and seconded, the minutes of the December 6, 2018 meeting were approved.

Secretary Basu noted that in the Commissioners folders were annual reports of the Partnership for Workforce Quality (PWQ) Program, the Maryland Agricultural and Resource Based Industry Development Corporation (MARBIDCO) and the Audit Report from the Maryland Technology Development Corporation (TEDCO).

Chairman Basu request that Stephen Auvil, representing Commissioner George Davis of TEDCO present highlights from the audit. Mr. Auvil reported that the audit was focused on the Maryland Venture Fund and that new regulations have been drafted, the Review Committee has been disbanded, and the definition of qualified business has been refined. There was discussion among Commissioners on the lack of diversity of the Authority, the genesis of the Fund and the need for oversight.

V. Commerce Secretary Update

Commerce Secretary Kelly Schulz updated the Commission on personnel changes since January, 2019. She noted the Department will be building on the strong foundation set by Governor Hogan's first Administration. Secretary Schulz briefed the Commission on the recent trip to Silicon Valley to meet with Facebook and market the state at the RSA Conference to prospective businesses and investors. She then reviewed job statistics, a renewed Department focus on collaborations with State Agencies and stakeholders and the importance of technology transfer, innovation and support and investment of workforce skillsets. (Presentation on file.)

VI. Maryland Chamber of Commerce Update

Ms. Christine Ross, Maryland Chamber of Commerce President and CEO addressed the Commission and provided an overview of the Chamber's focus for the current Legislative Session and future support to advance Maryland businesses and improve competitiveness. She noted the Chamber's top priority is competitiveness, and the need to improve the tax climate and oppose the $15 minimum wage legislation. She noted that education, transportation, and workforce needs to be a regional effort. Ms. Ross emphasized the tax climate and an increase in minimum wage impacts the State's competitiveness. She stated the Chamber is focused on 39 issues in the current Legislative Session with 30 tax experts meeting weekly to review legislation. She also updated the Commission on the Chamber's new Small Business Federation that invites businesses with less than 10 employees, who are members of local chambers, to join the state-wide Chamber at no cost to provide resources, collaboration and enhance business development.

Ms. Ross took questions from the Commissioners and welcomed an open dialogue to continue to explore avenues to support Maryland businesses.

VII. Economic Alliance of Greater Baltimore Update

Ms. Michele Whelley, President and CEO of the Economic Alliance of Greater Baltimore addressed the Commission and introduced Executive Committee Member and Treasurer Mr. Ed Brake. Ms. Whelley and Mr. Brake discussed the renewed focus of the Alliance approaching economic development as a region. The Alliance Board has undertaken a review of other regional organization structures for best practices. The Board has examined Pittsburgh, PA, Cleveland, OH, St. Louis, MO, and Detroit, MI. It was referenced that a number of personnel changes had occurred, and the Alliance is prepared to move forward with the priorities of workforce, investment to start-ups and regional marketing. Ms. Whelley and Mr. Brake are meeting individually with investors to gain support and welcomes renewed communication with the Commission and the Department of Commerce.

Ms. Whelley and Mr. Brake took questions from the Commissioners and welcomed comments, suggestions and support. Commissioners noted that Baltimore City and the State should stop apologizing for the crime and other social ills and start marketing the good news.

VIII. Department of Commerce Updates

a. Business and Industry Sector Development

Jayson Knott, Senior Director, Business Development, provided an overview of new and retained jobs. He highlighted recent wins, and pending announcements projects close to being announced. The projects range from manufacturing biopharmaceutical, engineering, and distribution. He noted the Department continues its strong pipeline of new prospects. (Presentation on file.)

b. Legislative Update

Rhonda Ray, Director, Policy, Research, and Government Affairs provided an update on the Departmental and Administration Bills impacting businesses. She emphasized the need to extend the tax credit programs, the definition of distressed counties and the More Jobs for Marylanders Program criteria. She engaged in discussion with the Commission on the Bills. (Presentation on file.)

IX. MEDC Subcommittees Discussion

Chairman Basu opened the floor to a discussion on the continuation of the Strategic Plan and Rankings and Research Subcommittees. The Commissioners noted the lack of collaborations, and the need to build the stakeholder ecosystem and approach opportunities on a regional basis, invite shared resources, and identify weak spots to advance communities. The art of economic development will be elevated by this engagement. Commissioners agreed to continue the two (2) informal Subcommittees and Commissioners were asked to indicate interest in participating in either or both Subcommittees.

a. Scorecard

The Rankings and Research Subcommittee submitted the updated Scorecard. No questions were asked.

X. Good of the Order

No additional information was exchanged.

XI. 2019 Meetings: June 13th, September 17th, December 10th

XII. Adjournment

There being no further business and upon motion duly made and seconded, the meeting was adjourned at 1:53pm.

APPENDIX D

MEDC
MARYLAND
ECONOMIC DEVELOPMENT
COMMISSION

June 13, 2019
Founders Room at the Frederick Douglass – Isaac Myers Maritime Park
Living Classrooms, 1417 Thames Street, Baltimore
12:00pm – 2:00pm
Minutes

Commissioners in attendance:

Anirban Basu	MEDC Chair, Sage Policy Group
Howard Blackwell "Blackie" Bowen	Ewing Oil Company, Inc.
Ed Coleman	Ciox Health
Annemarie Dickerson	Francis Scott Key Family Resort
Kai Hirabayshi	Caterpiller, Inc.
Manish Kothari	Sheladia Associates, Inc.
Julie Lenzer	UM Ventures
Aris Melissaratos	Former Secretary, Maryland Department of Business and Economic Development
Mike Miller	OGOS, Energy, LLC
Laura Neuman	Entrepreneur
Elizabeth Rendón-Sherman	LG-TEK (call in)
Robert Wallace	BITHGROUP Technologies (call in)
J. Blacklock Wills	The Wills Group
Margaret Wood	Wood Consulting

Ex-Officio Members:

Acting Secretary James Rzepkowski	Department of Labor, Licensing and Regulation (DLLR)
Secretary Kelly Schulz	Department of Commerce
Robert Brennan	Maryland Economic Development Corporation (MEDCO)

Guests:

Chris Rowsom	Living Classrooms
Meredith Wimbrow	Office of the Governor
Josh Kurtz	Maryland Matters
Sally Guy	Johns Hopkins University
Elizabeth Allison	Department of Legislative Services
Adam Greeney	DLLR

Commerce Staff:

Ben Wu	Deputy Secretary/Chief Operating Officer (COO)
Julie Woepke	MEDC Executive Director

Tom Riford	Assistant Secretary
Kyle McColgan	Special Assistant
Liz Fitzsimmons	Managing Director, Tourism, Film & the Arts
Jayson Knott	Senior Director, Business and Industry Sector Development
Rhonda Ray	Managing Director, Policy, Research and Government Affairs
Jessica Reynolds	Acting Director, International Investment and Trade
Nancy McCrea	Director of Research
Dan Leaderman	Senior Communications Manager
Andrea Salizzoni	Executive Associate
Jack Davis	Intern

I. Call to Order

Chairman Basu called the meeting to order, welcomed attendees and guests. He thanked Chris Rowsom and Living Classrooms for hosting the meeting.

II. Welcome

Chris Rowsom, Vice President, Living Classrooms, provided an overview of the facility and explained the mission of Living Classrooms is to strengthen communities and inspire young people to achieve their potential through hands-on education and job training, using urban, natural, and maritime resources as "living classrooms." Mr. Rowsom cited the Living Classrooms Foundation promotes economic longevity and described several of the Foundation's properties and programs located in Baltimore City.

III. Chairman's Updates

Chairman Basu briefed the Commissioners on the State's economic performance. He commented that while the State's performance is overall adequate, the momentum has not picked up since the Federal shutdown earlier this year. He stated the State remains 42nd nationally in job growth.

IV. Review and Acceptance of the March 15, 2019 Meeting Minutes

Upon motion duly made and seconded, the minutes of the March 15, 2019 meeting were approved.

V. Commerce Secretary Update

Commerce Secretary Kelly Schulz updated the Commission on two recent staff appointments. Signe Pringle, has been named Assistant Secretary for Business Development and Tom Riford has been named Assistant Secretary, Marketing and Communications, Tourism, Film and the Arts. She briefed the Commission on the five (5) County Tours completed, commenting on the feedback received. Secretary Schulz also reported on the Luke Paper Mill Closure in Western Maryland and the collective engagement of several State Agencies to address the workforce issues and attraction of a potential purchaser. She also reported on the successful BIO 2019 Conference recently held in Philadelphia and the SelectUSA Conference in Washington, DC. Secretary Schulz concluded by stating she is reviewing internal functions for efficiencies to make it easier to expand and attract businesses.

XIII. Department of Commerce Updates

a. International Investment and Trade

Jessica Reynolds, Acting Director, Office of International Trade and Investment, provided an update on strategic initiatives which included the expansion of the Memorandum of Understanding with the United Kingdom Midlands. She described upcoming initiatives, gave an update on export promotion and foreign direct investment and recent trade show participation. (Presentation on file.)

b. Tourism, Film and the Arts

Tom Riford, Assistant Secretary, Marketing & Communications, Tourism, Film and the Arts presented an update on recent regional meetings and product launches, 2017 tourism customer spending, visitor counts, the Office's four (4) strategic measureable objectives – Market Expansion, Leveraging Partnerships, Maximizing Opportunities, and Transactionable Outcomes. Mr. Riford noted that tourism jobs had surpassed manufacturing in Washington County – the first time since 2013. He concluded by showing the new "Open for It" tourism advertisement television spots and announced the Governor's Business Summit scheduled for September 20, 2019. (Presentation on file.)

Mr. Riford answered questions from the Commission related to tourism and the film industry. Commissioner Dickerson discussed the impact of the J1 Visa program, increase of minimum wage and the influx of non-family run hotels in Ocean City as it relates to the tourism industry.

c. Business & Industry Sector Development

Jayson Knott, Senior Director, Business Development, provided an overview of recent wins which included Kite Pharma, Alderson Loop and Cefalu/Capital Seaboard. He highlighted pending announced wins which would add an additional 2,700 jobs, and select new opportunities. (Presentation on file.)

Mr. Knott answered question from the Commission on breakdown of activity – 65-70% in state projects overall with 35% out of state attraction. The Commissioners questioned the amount of activity occurring in Urbana and the reasoning.

d. Legislative Update

Rhonda Ray, Director, Policy, Research, and Government Affairs provided an update on the 2019 Legislative Session, referencing the Department's Legislative Report handout. Ms. Ray discussed Opportunity Zone Incentives, Regulations Impacting Small Businesses, and the Sunset Extensions of the Job Creation and Maryland Research and Development Tax Credits. She emphasized the need to improve the storytelling of the impact of the Department Programs on businesses which the Department will be focused on prior to the next Legislative Session. (Presentation and handout on file.)

VI. MEDC Subcommittees Discussion

a. Scorecard

Subcommittee Chair Ed Coleman reviewed the updated Scorecard noting job growth continues to lag, wage growth is improving but still not at the same rate as the United States, Gross Domestic Product, loss of population in Baltimore City, and new ranking of #6 Best States by US News. He added that the Migration Study and Recommendations completed by the Subcommittee in 2018 may be discussed with

the Strategic Plan Subcommittee, particularly as it relates to retaining and attracting 18-25 year olds and pre-retirees and retirees. (Scorecard on file.)

b. Strategic Plan

Subcommittee Co-chairs, Aris Melissaratos and Laura Neuman presented the progress to date as found in the Subcommittee handout. Mr. Melissaratos noted that while all the goals of the 2016 Strategic Plan are important, more emphasis and innovative approaches will be given to advancing innovation and entrepreneurship, highlighting the need to include Higher Education, the Technology Development Corporation (TEDCO), the University of Maryland System, Federal Labs and Agencies and engaging the Venture Capital community. He stated the economic strategies will be approached on a regional basis, identifying regional needs and strengths, the importance of inclusiveness and diversity, technology transfer and the importance of prosperity with purpose. (Subcommittee Report on file.)

Discussion occurred among the Commissioners. Secretary Schulz noted that in spite of the State's taxes and policies, businesses still seek and remain in Maryland. She added measures are needed to make the State more business friendly. It was suggested that TEDCO report on its start-up investments at each Commission meeting.

VII. Good of the Order

No addition information was shared among the Commissioners.

VIII. 2019 Meetings: September 17th, December 10th

IX. Adjournment

There being no further business and upon motion duly made and seconded, the meeting was adjourned at 2:00pm.

APPENDIX E

MEDC
MARYLAND
ECONOMIC DEVELOPMENT
COMMISSION

September 17, 2019
Governor's Reception Room
100 State Circle, Annapolis
12:00pm – 2:00pm
Minutes

Commissioners in attendance:

Anirban Basu	MEDC Chair, Sage Policy Group
Ed Coleman	Ciox Health
Annemarie Dickerson	Francis Scott Key Family Resort
Kai Hirabayshi	Caterpiller, Inc.
Aris Melissaratos	Former Secretary, Maryland Department of Business and Economic Development
Mike Miller	OGOS, Energy, LLC
Laura Neuman	Entrepreneur
Jeanette Glose Partlow	Maryland Chemical Company
Elizabeth Rendón-Sherman	LG-TEK (call in)
Susan Schwab	Mayer Brown LLP
Robert Wallace	BITHGROUP Technologies (call in)
J. Blacklock Wills	The Wills Group
Margaret Wood	Wood Consulting

Ex-Officio Members:

Secretary Kelly Schulz	Department of Commerce
Robert Brennan	Maryland Economic Development Corporation (MEDCO)
Stephen Auvil	Maryland Technology Development Corporation (TEDCO)

Guests:

Allison Mayer	Office of the Governor
Meredith Wimbrow	Office of the Governor
Alex Choi	Office of the Governor
Ricky Smith	Maryland Aviation Administration (MAA)
Jim White	Maryland Port Administration (MPA)
Josh Kurtz	Maryland Matters
Sally Guy	Johns Hopkins University
Jody Sprinkle	TEDCO
Jillian Ball	MPA
Richard Scher	MPA
Erica Schissler	Department of Legislative Services
Elizabeth Allison	Department of Legislative Services
Rachel Clark	Evans and Associates

Michael Harrison	Department of Labor
Grason Wiggins	Department of Labor

Commerce Staff:

Ben Wu	Deputy Secretary/Chief Operating Officer (COO)
Julie Woepke	MEDC Executive Director
Andy Fish	Senior Director, Finance Programs
Rhonda Ray	Managing Director, Policy, Research and Government Affairs
Nancy McCrea	Director of Research

I. Call to Order

Chairman Basu called the meeting to order, welcomed attendees and guests. He announced two (2) new Ex-Officio Commissioners although not in attendance: Secretary Tiffany Robinson, Maryland Department of Labor and Delegate Brian Crosby, District 29B, St. Mary's County.

II. Chairman's Updates

Chairman Basu briefed the Commissioners on the State's economic performance. He commented that after 11 years since the national recession, the State's latest year over year job growth continues to be stagnant. States seeing the largest growth during this period include Minnesota and Louisiana. He disclosed that his company, Sage Policy Group, is conducting a study in Oxford, Maryland and engaging focus groups to gain better understanding of the economic disparity in the State.

III. Review and Acceptance of the June 13, 2019 Meeting Minutes

Upon motion duly made and seconded, the minutes of the June 13, 2019 meeting were approved.

IV. Commerce Secretary Update

Commerce Secretary Kelly Schulz updated the Commission on the recently held County Tours, which serve to identify opportunities to assist in business expansion and job growth. She updated the Commission on the current personnel total within the Department highlighting the 11 positions filled since July 1, 2019 and the pending three (3) hires. Secretary Schulz proceeded to update the Commission on the Commerce Subcabinet and its newly formed Regional Resources Workgroup. This Workgroup presents a collaboration of 10 State Agencies within five (5) regions working together to serve the business related community in a faster, easier and more accessible manner. She emphasized the engagement of the State Fire Marshal and the Maryland Department of Health with the Workgroups. She also noted the Customer Service Workgroup and the overall Department customer satisfaction rating of 90%.

Secretary Schulz reminded the Commission of the sold out Governor's Business Summit to be held on September 20, 2019 with 500 registrants. The focus will be on workforce. The Maryland Marketing Partnership (MMP), lead sponsor of the event, continues to seek innovative ways to promote the State. She added that the MMP, in an effort to encourage involvement of smaller businesses, has added a new lower membership level of $15,000 divided by five (5) years to encourage smaller innovative business participation. She concluded by highlighting the Governor's upcoming 10 day Australian Trade Mission representing of the State and the National Governor's Association (NGA). She reported that she will be participating in the Mission.

Secretary Schulz introduced Andy Fish, Senior Director, Finance Programs of the Office of Business Development and Strategic Industries to review the Department's latest Business Development activity. Mr. Fish noted the strongest activity remains in Central Maryland, with the highest distribution of industries being 26% life sciences, 21% research and development and 17% information technology. He continued by highlighting recent wins, wins pending announcement and select new opportunities. (Presentation on file.)

V. Maryland Port Administration (MPA) Update

Jim White, Executive Director, MPA addressed the Commission and presented the State of the Port. Mr. White provided a recently released video highlighting the importance and economic impact of the Port to the State. He stated 139,180 jobs are generated from the Port contributing $3.3B in personal income, $395M in state and local tax revenues and $2.6B in business revenues to the state on an annual basis. He described imports and exports, cargo flow and tonnage, container volume, cruise activity, cargo statistics and national rankings, and the channel system. Mr. White described the immediate challenge to the Port is the Howard Street Tunnel expansion. He then answered questions from Commissioners. (Presentation on file.)

VI. Baltimore Washington International (BWI) Thurgood Marshall Airport Update

Ricky Smith, Executive Director, Maryland Aviation Administration addressed the Commission and provided and update on the BWI Thurgood Marshall Airport. He stated the airport supports 106,488 jobs producing $4.1B in wages. It is responsible for $9.3B in business revenue to the State, and produces an estimated $591.9M in State and local tax revenue. Mr. Smith highlighted the airlines operating out of the airport, the record 27.1M passengers who traveled through the airport in 2018, and non-stop service to over 90 domestic and international destinations. He continued by highlighting key financial indicators, recent midfield cargo area improvements, new airport maintenance facility and baggage handling systems improvements. He gave emphasis on a new Gates C/D Connector, ticket counters, Air Traffic Control Tower and Operations Center, and new hotel and office space. Additionally, Mr. Smith stated that there is a solicitation for a developer of a new airport convenience center and gasoline station on a vacant parcel that will generate a revenue stream. He described other future developments, the focus of attracting more international travel, and marketing to the District of Columbia market.

Mr. White engaged in discussion with Commissioners. He expressed concern on the adequacy of surface transportation with the growth of the airport, similar to comments made by Mr. White of MPA. Chairman Basu suggested that the Commission invite Secretary Pete Rahn of the Maryland Department of Transportation or his designee to present at the next Commission meeting. (Presentation on file.)

VII. Maryland Technology Development Corporation (TEDCO) Update

Stephen Auvil, Executive Vice President, Operations and Programs, TEDCO, provided an update on the recent activity of the organization since the new fiscal year and the enactment of Senate Bill 340/House Bill 543 which requires new reporting and auditing requirements. He described new staff and Board Members, the ramping up of new investments, and the continuum of programs and portfolio management. Mr. Auvil highlighted investments in the last quarter totaling $1.54M. He continued by stating the top priorities of the past three (3) months and into the near future. He concluded by emphasizing the upcoming Entrepreneur Expo scheduled for October 29, 2019. (Presentation and handout on file.)

VIII. MEDC Subcommittees Discussion

a. Scorecard

Subcommittee Chair Ed Coleman reviewed the updated Scorecard noting the net private job growth has not improved. He discussed the potential to research business migration and rationale. It was also discussed whether the State will be reviewing the impact of Amazon HQ2 on leasing in Maryland. (Scorecard on file.)

b. Strategic Plan

Subcommittee Co-Chairs, Aris Melissaratos and Laura Neuman presented the progress to date as found in the handout. They reported that the Subcommittee met with Commerce Team Members on July 10, 2019, for a full day of presentations and held a follow up conference call for Subcommittee input. As found in the handout, the Subcommittee reported that common themes expressed in the meeting and conference call was the need to improve communications of the State assets and programs and more aggressively taking advantage of and expanding technology transfer from Federal Labs and Universities. The Subcommittee further emphasized the importance of policy and program evaluation of taxes and tax incentives; the regional approach to advance communities and individuals and make outer regions feel more a part of the State; improving the pipeline between Commerce and TEDCO, and growing targeted industries. They noted leadership within the Department is working well but communications needs to improve. As the Subcommittee reviews the Secretary's County Tours Summaries with these findings, a draft Plan will be developed.

Good of the Order

No addition information was shared among the Commissioners.

IX. 2019 Meetings: December 9th

X. Adjournment

There being no further business and upon motion duly made and seconded, the meeting was adjourned at 2:00pm.

APPENDIX F – DRAFT**

MEDC
MARYLAND
ECONOMIC DEVELOPMENT
COMMISSION

December 9, 2019
6100 Merriweather Drive, Columbia
12:00pm – 2:00pm
Minutes

Commissioners in attendance:

Anirban Basu	MEDC Chair, Sage Policy Group
Marty Brunk	MEDC Vice Chair, RSM
Ed Coleman	Ciox Health
Annemarie Dickerson	Francis Scott Key Family Resort
Manish Kothari	Sheladia Associates, Inc.
Julie Lenzer	UM Ventures
Aris Melissaratos	Former Secretary, Maryland Department of Business and Economic Development
Laura Neuman	Entrepreneur (call in)
Elizabeth Rendón-Sherman	LG-TEK (call in)
Robert Wallace	BITHGROUP Technologies (call in)
J. Blacklock Wills	The Wills Group
Margaret Wood	Wood Consulting

Ex-Officio Members:

Secretary Kelly Schulz	Department of Commerce
Secretary Tiffany Robinson	Department of Labor
Robert Brennan	Maryland Economic Development Corporation (MEDCO)
Stephen Auvil	Maryland Technology Development Corporation (TEDCO)

Guests:

Meredith Wimbrow	Office of the Governor
Greg Slater	Maryland State Highway Administration
Karen Cherry	The Howard Hughes Corporation
Jody Sprinkle	TEDCO
Pam Kasemeyer	Schwartz, Metz & Wise, P.A.

Commerce Staff:

Ben Wu	Deputy Secretary/Chief Operating Officer (COO)
Julie Woepke	MEDC Executive Director
Signe Pringle	Assistant Secretary
Tom Riford	Assistant Secretary
Jessica Reynolds	Senior Director, Office of International Investment and Trade

I. Call to Order

Chairman Basu called the meeting to order at 12:00pm and welcomed attendees and guests. He extended a special welcome to newly appointed Commissioner Secretary Tiffany Robinson, Maryland Department of Labor and invited her to address the Commission. Secretary Robinson thanked Chairman Basu for the welcome. She reported that during the last three months, 27,400 jobs have been gained, which is the largest three-month gain since 2010. She added that Maryland's unemployment rate has decreased to 3.6%, which is the lowest unemployment rate in over 11 years.

Chairman Basu then introduced meeting host, Ms. Karen Cherry, Vice President, Office Leasing, the Howard Hughes Corporation. (Biography on file.)

Ms. Cherry gave an overview of the Corporation and its contributions to the transformation of downtown Columbia. She cited several new office, retail and residential projects under construction and the attraction of several regional restaurants and retailers who are contributing to the transformation.

II. Chairman's Updates

Chairman Basu briefed the Commissioners on the State's economic performance. He stated for the first time in many years, the State is seeing substantial job growth, particularly in the Baltimore metro area. He noted Baltimore City jobs are stabilizing.

III. Consent Agenda

Upon motion duly made and seconded, the consent agenda was approved which included the minutes of the September 17, 2019 meeting and the recommendation to approve the Maryland Economic Development Assistance Authority and Fund (MEDAAF) Industry Sectors. He also state that as required by statute, the Department of Commerce FY21 budget was reviewed via email prior to its September submission.

IV. Commerce Secretary Update

Commerce Secretary Kelly Schulz began her presentation by acknowledging the contributions to the Department by Deputy Secretary Ben Wu and thanking him for his leadership since 2014. As Deputy Secretary Wu departs the Department to lead the Montgomery County Economic Development Corporation, she stated she looks forward to continued collaborations.

Secretary Schulz then reported on the completion of the County Tours and the upcoming Baltimore City tour on December 17th. She indicated that the tours have been beneficial in building relationships with local jurisdictions and identifying opportunities for business expansion and job growth. She particularly noted the importance of regional airports and their economic impact to the surrounding jurisdictions. She then described the recently launched Maryland Manufacturing Directory which lists 1,700 of the State's 4,000 manufacturers. She indicated that it was launched through a federal grant and seeks to assist with diversification of Maryland manufacturers.

Secretary Schulz introduced Assistant Secretary Signe Pringle who provided an update on recent job wins – The Language Doctors, Truebill and AZZ; pending win announcements; ongoing open opportunities and select new opportunities. Ms. Pringle then answered inquiries from the Commissioners on the percentage of resources spent on attracting versus expanding and retaining businesses, focus on small, minority and women owned businesses and expanding diversity in the start-up community. (Presentation on file.)

Ms. Jessica Reynolds, Senior Director of International Investment and Trade provided an update on strategic initiatives, export promotion and upcoming initiatives. She indicated that the Department has participated in several trade shows and for the first time, Medical Japan in Tokyo, Japan and Expodefensa in Bogeto, Columbia. She discussed among the Commissioners the outcomes anticipated by entering into Memorandum of Understanding (MOUs) with several countries. Ms. Reynolds noted the Governor's successful September Trade Mission to Australia that was in collaboration with the National Governor's Association. (Presentation on file.)

Commissioners recommended the Department expand activities to Western Africa, Vietnam and Thailand, particularly in the area of medical devices and cybersecurity.

Assistant Secretary Tom Riford addressed the Commission and provided an update of the Maryland Marketing Partnership (MMP). The MMP has grown to 39 partners and now includes more diverse, smaller partners. He cited the successful September Business Summit, of which several Commissioners participated on panels. Mr. Riford presented an overview of the marketing campaign, media mix, samples of creative, campaign reach and feedback. He presented one of the recently developed videos focused on workforce and quality of life. He then provided information on brand metrics. (Presentation on file.)

V. Maryland State Highway Administration (SHA) Update

Mr: Greg Slater, Administrator, SHA provided an overview of the status of the State's mobility, management and safety trends. He addressed congestion trends; funding needed to keep current system in state of good repair; pedestrian safety causes and solutions; freight innovations and impact to roadways; I-270 innovative congestion management plan, public private partnerships; transportation of the future; and the Department's transportation systems management and operations. (Presentation on file.)

Mr. Slater engaged in a discussion with the Commissioners on the impact of electric vehicles and charging stations, the electric vehicle impact to the Transportation Trust Fund and securing the funds in the Fund, and the importance of public private partnerships to fund the needed transportation improvements.

VI. Maryland Economic Development Corporation (MEDCO) FY19 Annual Report

Commissioner Bob Brennan, Executive Director, MEDCO, provided a brief overview of the FY19 Annual Report. Since its inception in 1984, Mr. Brennan stated that MEDCO has issued $5.7B in bonds to fund 307 projects; partnered with 36 local, state and federal agencies; built 42 new or redeveloped buildings; issued 174 conduit financing deals; developed 42 business parks; built 8,323 beds in students housing facilities; and supported five (5) incubator and innovation centers. He then described several of the projects. (Presentation on file.)

VII. Maryland Technology Development Corporation (TEDCO) FY19 Annual & Quarterly Reports

Commissioner Stephen Auvil, Executive Vice President, Operations and Programs reported on the FY19 Annual Report and 4th quarter investments. Mr. Auvil he stated there was one (1) investment made in the last quarter. Due to the development of new regulations, applications will begin to be accepted January 1, 2020. Mr. Auvil provided an update on new regulations; announced that an Interim Managing Director of the Maryland Venture Fund has been named; and the search continues for the Executive Director. He

concluded by providing a status of the audit findings and the successful Entrepreneur Expo that was held in October. (Presentation on file.)

VIII. MEDC Subcommittees Discussion

a. Scorecard

Subcommittee Chair Ed Coleman reported the Scorecard had been updated and reflects positively on job growth in the state. (Scorecard on file.)

b. Strategic Plan

Subcommittee Co-Chair Laura Neuman addressed the Commission and reported that after revisiting the 2016 Strategic Plan, meeting with Commerce Teams and Committee Members, and receiving input from many perspectives, the Chairs concluded that the current plan and goals have contributed to the current state and success of the Department and should be not only be continued but taken to the next level. She thanked Chairman Basu for articulating the discussions and recommendations as found in the Draft Addendum to the 2016 Strategic Plan. Co-Chair Melissaratos and Chairman Basu summarized the Draft Addendum which recommends a comprehensive strategy to grow innovation and commercialization ecosystem and business climate advocacy; continuous outreach to local economic development officials to discuss concerns and emerging challenges; a process to gather ideas and information from economic development agencies for advocacy with the General Assembly; and promotion of Commerce programs through outreach for advocacy of economic development tools and programs. Commissioners were invited to review and provide feedback.

IX. Good of the Order

No addition information was shared among the Commissioners.

X. 2020 Meetings

Chairman Basu announced the 2020 meeting dates: March 9, May 8, September 8, and December 14, 2020.

XI. Adjournment

There being no further business and upon motion duly made and seconded, the meeting was adjourned at 2:07 pm.

December 9, 2019 Minutes are in draft form and will be presented for approval at the March 9, 2020 Commission meeting.