



**2011 Annual Report to the General Assembly
of the
Maryland Economic Development Commission**

Submitted by
The Maryland Department of Business and Economic Development
(DBED)

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Executive Summary

The Maryland Economic Development Commission (Commission), in accordance with § 2–207 of the Economic Development Article, hereby submits to the General Assembly of Maryland, a report of the 2011 activities of the Commission. The past year has been a busy one for the Commission, with the release of a five-year strategic plan, the start of a new initiative, the influx of nine new members, and the appointment of new Chairman, Steve Dubin and Co-Chair, Kevin Johnson.

With these changes, the Commission is attempting to take a more active coordinating and advocacy role with the various other economic development organizations and boards and commissions that exist both within the Maryland Department of Business and Economic Development (DBED) and in the larger business community. In doing so, the Commission hopes to be able to better leverage the knowledge and resources that exist in Maryland to focus on its mission to create and retain jobs, and improve the conditions that support job creation.

Support for InvestMaryland

The Commission began its work in 2011 supporting and advocating for an important piece of legislation which holds great promise to help make Maryland a hotbed of entrepreneurial activity. The InvestMaryland program received the full support of the Commission and its members who participated in advocacy efforts on behalf of the program.

Release of Five-Year Strategic Plan

With the summer release of the Commission's five-year strategic plan, a framework for the Commission's activities was developed that laid out a vision for the four work groups that compose the Commission. The work groups are Business Climate, Infrastructure, Regional & Economic Diversity, and Collaboration & Commercialization. Each work group will focus on the broad principles laid out in the strategic plan as they continue to define problems and propose solutions.

Maryland Made Easy

In 2011, Governor O'Malley also championed and directed DBED to implement an important program that began as an idea developed by the Commission. The Maryland Made Easy fast track permitting program and its streamlined Central Business Licensing initiative are ideas that the Commission recommended. These initiatives will help State businesses to navigate permitting processes more easily and will fast track key economic development projects.

ExeConnect

In September, the Commission rolled out a new signature initiative called ExeConnect, at GEICO's Chevy Chase headquarters. ExeConnect, to be held quarterly, is an executive-level open discussion about industry and economic issues. The goal of the program is to engage some of the top business leaders in the State and to learn about the latest ideas, tactics, and future

trends. This tool, developed by the Commission, will enable the Commission to learn how the State can better support the needs of businesses and will generate new ideas and potential partnerships.

In the coming year, the Commission will continue to engage Maryland's business community and to develop actionable recommendations for the O'Malley Administration and the General Assembly in order to ensure Maryland remains a great place in which to do business.

Maryland Economic Development Commission Overview

Mission

The mission of the Commission is to establish economic development policy in the State and to oversee DBED's efforts to support the creation, attraction, and retention of businesses and jobs.

Organization Purpose

Maryland is uniquely positioned to support an economic development environment where knowledge is transformed into products, processes, systems and services, and where entrepreneurship flourishes within a diverse economy. The State's research universities, federal labs, and highly educated workforce create a knowledge base that is ready to meet the challenges of tomorrow's innovation economy. Complementing these advantages is Maryland's rich cultural and environmental heritage. The Commission's role is to build on these existing strengths by guiding the State's decision-makers to encourage a climate where business leaders and entrepreneurs experience Maryland as ideal for both commercial endeavors and quality of life.

Organization Structure

Founded in 1995, the Commission draws upon the expertise of the State's business leaders to inform State economic development efforts. The 31-member Commission provides a comprehensive evaluation of the State's business climate and recommends to the Governor the strategic adaptation and creation of certain policies and programs, as well as spending priorities. MEDC work groups include Business Climate, Infrastructure, Regional & Economic Diversity, and Collaboration & Commercialization. Board members are appointed by the Governor to three-year terms.

Maryland Economic Development Commission Membership

Steve Dubin, *Chair*

Principal, SDA Ventures, LLC

Kevin Johnson, *Co-Chair*

President & CEO, Commercial Interiors, Inc.

Timothy Adams

President & CEO, Systems Application and Technologies, Inc.

Paul Ausley

President, Ausley Associates, Inc.

Maria Beckett

President, The President's Roundtable, Inc.

Richard Bernstein

President & CEO, LWRC International, LLC

Thomas Burlin

President & CEO, Burlin Consulting Services

Susan Ganz

CEO, Lion Brothers Company, Inc.

Seth Goldman

Co-Founder, President & "TeaEO", Honest Tea

Timothy Hodge, Jr.

Principal, Miles & Stockbridge P.C.

William "Brit" Kirwan

Chancellor, University System of Maryland

Aris Mardirossian

CEO, Technology Patents, LLC

Ricardo Martinez

President & CEO, Project Enhancement Corporation

John McLaughlin

President & CEO, DAP Products, Inc.

Ronald Peterson

Healthcare Executive, Johns Hopkins Hospital & Health System

Jan Russell

Co-Owner, Savage River Lodge

David Severn

Principal, Severn, O'Connor, & Kresslein, PA

A. Nayab Siddiqui

President & CEO, Scientific Systems and Software International Corporation

Robert Smelkinson

Chairman (Retired), Smelkinson Sysco Food Services

Harold Stinger

Chairman, Stinger Ghaffarian Technologies Inc.

Walter Tilley, III

Managing Partner, Tilley Investments, LLC

Tracy Tyler

President & CEO, Cambridge International

Alan Wilson

Chairman, President & CEO, McCormick & Company, Inc.

Ex-Officio Members

Christian Johansson

Secretary, Maryland Development of
Business and Economic Development

Harold Adams

Chairman Emeritus, RTKL Associates, Inc.

James C. Dinegar

President & CEO, Greater Washington
Board of Trade

Donald Fry

President, Greater Baltimore Committee

Kevin F. Kelly

Vice President, Van Scoyoc Associates

Ackneil Muldrow, II

CEO, Parker Muldrow & Associates, LLC

Kathleen Snyder

President, Maryland Chamber of Commerce

H. Thomas Watkins

President & CEO, Human Genome
Sciences, Inc.

Staff

Michelle D. Jackson

Director, Office of Boards and Commissions, Maryland Department of Business and Economic
Development

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2011 Review of Activities

The year 2011 saw a significant amount of turnover on the Commission, with nine new members joining the Commission, bringing with them a variety of business experiences. Accompanying these new members was the release of a five-year strategic plan (Appendix B) outlining an economic development vision for the State which seeks to capitalize on Maryland's competitive advantages. With new members and a new plan, the Commission stands poised to engage with new ideas and new economic realities to address the challenges and identify the opportunities presented by a global economy that is in transition. Below is a summary of how the Commission contributed towards moving this work forward in 2011.

Commission Advocacy of InvestMaryland

Commission members began 2011 by helping to champion one of the O'Malley Administration's signature economic development initiatives, the InvestMaryland program. Commission members advocated for this legislation because they believed that it would play a vital role in supporting early-stage business development in Maryland. The Commission participated in a number of events and also spoke to legislators about the importance of this program. In addition, members acted as a sounding board during the program's development.

MEDC Strategic Plan

In April, a meeting was held at Johns Hopkins' Science and Technology Park located in Baltimore City. This meeting unveiled the Commission's five-year strategic plan (Appendix B), which had been developed in the preceding months. Governor Martin O'Malley spoke at the event, highlighting four main strategies which will be guiding the Commission's work. The four strategies are:

- ***Position Maryland for Growth***

This strategy involves encouraging and accelerating efforts to sustain a knowledge-dependent, global, entrepreneurial economy. By focusing on entrepreneurship and the commercialization of knowledge and technologies, Maryland has a tremendous opportunity to become a leader in new and emerging industries

- ***Build on Existing Strengths***

This strategy encourages investment in economic sectors where the State already has competitive advantages; to include life sciences, cyber security, military, scientific and technical services, and emerging sectors such as space, earth, and green technologies.

- ***Embrace Regional and Economic Diversity***

This strategy seeks to support Maryland's rich diversity of enterprises, including many that are of a regional nature. These include agriculture and seafood, travel and leisure, and manufacturing. The strategy also recognizes the importance of informed interaction and cooperation between the State and local officials.

- ***Make it Easy to do Business in Maryland***

The final strategy focuses on promoting predictability, transparency, and automation in the areas of permitting and regulation. In seeking to provide regulatory certainty and clarity for businesses, the Commission will be pushing a strategy that aims to make it easier for businesses to grow and expand in the State.

Workgroup Assignments

During the May meeting the Commission began to work to identify and assign key strategic plan takeaways to Commission work groups. Commission members were assigned to work groups based on preferences and expertise. The workgroups are charged with developing implementation plans for various recommendations contained in the strategic plan. Assignments were also made according to a ranking system developed to prioritize the strategic plan strategies and recommendations. The strategic plan's strategic framework will be moved forward by the four workgroups, as outlined below:

- ***Business Climate***

The Business Climate workgroup has taken up the strategic plan's call to enhance Maryland's business climate. The work is focused on areas such as improving licensing and permitting processes, ensuring effective business incentives and financing mechanisms, growing and keeping an educated workforce, and focusing on a culture of customer service amongst State agencies.

- ***Collaboration & Commercialization***

The Collaboration & Commercialization workgroup is focusing on those strategic plan recommendations that help businesses capitalize upon the competitive advantages provided by the State's business incubators, trade groups and federal, academic, and private research and development activities.

- ***Regional & Economic Diversity***

The Regional and Economic Diversity work group's task is to move forward the strategic plan's goal of promoting the State's economic diversity by focusing on understanding Maryland's regional strengths and competitive advantages and by supporting regional economic development priorities.

- ***Infrastructure***

The Infrastructure work group is focused on the State's infrastructure environment and seeks to preserve and improve Maryland's physical capital.

Maryland Made Easy

During July's meeting, the Commission received an update from DBED regarding the implementation of the Maryland Made Easy program. In an effort to improve and streamline the permitting process for important economic development projects, the Commission developed the concept behind the program, which DBED then presented to Governor O'Malley. The Governor has since championed the idea and directed, via Executive Order, all agencies involved with the permitting process to coordinate and work in concert to streamline procedures, simplify regulations, and improve communications.

As part of this process, the State is also developing a Central Business Licensing (CBL) website, which is another concept advocated for by the Commission. Both DBED and the Department of Information Technology are spearheading this project, which involves the creation of a centralized, online system for all business licenses and permits. Once complete, CBL will provide businesses with a one-stop shop to complete and submit various applications and permits regardless of agency or type of business.

ExeConnect

In September, the Commission rolled out a new signature initiative, called ExeConnect (Appendix C), at GEICO's Chevy Chase headquarters. ExeConnect is an executive-level open discussion that engages some of Maryland's top business leaders to learn about the latest business and economic ideas, tactics, and trends. Hosted by some of the state's most exciting and innovative companies, the goal of this initiative is to better understand not only how the State can better support existing business needs, but how to position Maryland for next generation industries and emerging economic conditions.

The first meeting was attended by Governor O'Malley and allowed attendees to hear the insights and concerns of GEICO CEO, Tony Nicely. The Commission also invited a variety of State and regional business groups and executives to the meeting to broaden the discussion and solicit input and ideas from leaders who might not attend the Commission's regular meetings. As ExeConnect events continue, the Commission will consider incorporating any new ideas generated into the strategic plan and upcoming Commission reports.

Furthering MEDC's Coordinating Role

As described in the Executive Summary, the Commission has had a significant influx of new members this year, with nine new appointees joining the Commission's ranks, and the appointment of a new Chair and Co-Chair. With such a large number of new members, it has been important to familiarize them as much as possible with the other major economic development organizations and commissions that exist in the State. The Commission is doing this not only to familiarize new members but to better capitalize on a role for which the Commission is well-suited: a coordinating and advocacy body. In 2011, the Commission took a more active role in seeking to better understand and collaborate with a variety of other DBED boards and commissions and with the larger business community. In embracing this role, the Commission hopes to be able to better advocate for the business community and to better leverage existing resources and expertise.

With both the ExeConnect rollout event and the November Commission meeting, the Commission gained insight on other State economic development organizations. November's meeting introduced the Commission to the work being done by three groups: 1) the newly established Task Force on Industrial Job Creation in Baltimore County, 2) the Maryland Port Administration, and 3) the Maryland Economic Development Corporation (MEDCO). By hearing from these groups, the Commission has a better idea of the activities being undertaken by each and at the same time these groups also learned that they have an ally that they can turn to to help move economic development conversations forward. The Commission will continue to hear from other groups in the year ahead, and will invite other relevant organizations to participate in activities and events.

2012 Action Plan

The Commission has had a busy and successful 2011, and looks forward to the work in the year ahead. The Commission already has a number of activities planned for 2012 and the Commission's four work groups are busy exploring options to further the goals of the strategic plan.

Regional Roundtable Discussions

One major initiative planned for 2012 is a series of roundtable discussions that will bring in DBED's regional business development representatives to explain the needs and opportunities for economic development Statewide. These DBED representatives, located at satellite offices throughout the State, know the regional trends and economic landscape best and are a valuable resource for policy development and coordination with local businesses and economic development offices. This will provide Commission members with a better understanding of how to engage Maryland's diverse business sectors. Commission members will gain important insights into how to best preserve and expand the State's regional economic bases.

Commission Meetings & Work Group Planning

In January, the Commission will hold a roundtable discussion on the future of Maryland's transportation system and will discuss how the business community might become more involved in furthering beneficial outcomes. The Commission also has a number of other economic development boards and organizations scheduled to present to the Commission and engage in a discussion of how collaboration on mutual goals might be achieved.

The Commission's work groups will also be developing actionable recommendations during the course of the year that will be submitted to the General Assembly and the O'Malley Administration. Using a focused planning methodology and working through DBED's support staff, the work groups will design a practical strategic approach to develop workable recommendations and action items that will be designed to achieve the Commission's mission of creating jobs, saving jobs, and improving the conditions that support job creation.

Conclusion

Through initiatives such as Maryland Made Easy, the Central Business Licensing project, ExeConnect, and regional and topical roundtable discussions, the Commission believes it is well-equipped to further the goals outlined in the strategic plan. In continuing to proactively engage the business community and hold events that generate interest in the Commission's work, the Commission is setting a framework for collaboration and cooperation that is essential to informed program and policy development. We look forward to the hard work ahead and to continuing to ensure that Maryland remains a great place to do business.

Appendices

Appendix A: MEDC Statute

Appendix B: MEDC Strategic Plan

Appendix C: ExeConnect Flyer