



**Maryland**  
OPEN FOR BUSINESS

# Fiscal 2018 Annual Report

Maryland Department of Commerce

The Maryland Department of Commerce strives to improve the economic well-being and quality of life for every Marylander by creating and retaining jobs and growing incomes and the tax base in Maryland. We accomplish this by serving the needs of our business community and marketing the state as an excellent place to live, work and play.



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Take an inside look at the activity spike in Maryland's warehousing, distribution and logistics industry. Driving the uptick were industrial market vacancy rates, robust speculative development and user demand.



The Merriweather District is a five million square foot mixed-use development that is part of the larger Downtown Columbia redevelopment, which has up to 14 million square feet of vertical entitlements. Columbia gained national recognition in the October 2016 issue of Money Magazine, which listed Columbia at the top of its Best Places to Live in America.

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### **Driving Innovation and Growth**

Fiscal Year 2018 experienced continued growth in cybersecurity with increased interest from Silicon Valley, while the biohealth industry continued to fast-track pharma research and development and manufacturing. Increased venture capital investments and product commercialization were hot topics and sustainable energy projects are progressing.

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### **Across Maryland**

A look at Maryland's more rural communities and how they are part of the rich fabric of the state's mantra of "work, live and play." Multiple rural manufacturing expansions, growth in agribusiness and support for fiber connectivity are just some of the outcomes of Commerce working as a partner all across Maryland.

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### **International Investment and Trade**

Read about Maryland companies from various industries and how the ExportMD program helped to grow their businesses with new partners in all parts of the globe. For example, take a look at three Israeli companies who have joined Maryland's hot cybersecurity scene.

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### **Tourism, Film and The Arts**

We recap new tourism attractions: the Frederick Douglass driving tour, Crab & Oyster Trail, Great Chesapeake Bay Loop and the Summer of Music concert series. Learn about our new tourism advertising strategy and the economic impact of filming the final season of the Netflix TV series "House of Cards."

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### **Financials**

We break down Commerce expenditures, contract awards, procurement activity, grants administered, tax credits and financial assistance programs.

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### **Up Next in 2019**

Excitement builds in Harford County as a new Advanced Manufacturing and Materials Processes Center ramps up to transform the future of manufacturing and the county in 2019.



## Secretary's Message

### Dear Friends and Partners,

I'm very pleased to share with you the Maryland Department of Commerce's Fiscal Year 2018 Annual Report, which highlights our agency's progress to change Maryland for the better. Thanks to the outstanding leadership of former Secretary Mike Gill, Commerce worked closely with our many partners to build a stronger economy, create new jobs for our citizens, and expand opportunity for our businesses all across the state.

Over the last four years, our mission has been focused on ensuring that Maryland is "Open for Business." I am pleased to report that we've seen some impressive results, with the state adding more than 100,000 new jobs and the unemployment rate continuing to drop. We've also placed a greater emphasis on customer service, and we're consistently a top-ranked state for innovation, research and development, and STEM employment.

Commerce continues to work hard to attract new companies to Maryland, support our existing companies as they expand, and connect our small businesses with the resources they need to grow and thrive. We are deploying our core incentives such as Advantage Maryland and have added new programs to stimulate businesses, including More Jobs for Marylanders,

which, in its first year, drew interest from more than 120 businesses across the state and from out of state. Those businesses say the program will help them create as many as 2,000 new jobs in the coming years.

Through a targeted marketing strategy, Maryland is continuing to grow as a major destination for tourism, culture and the arts. The state drew more than 41 million visitors in 2017 while visitor spending grew to \$17.7 billion—a 2.1% increase over the previous year. And, we have been engaged in telling Maryland's story from coast to coast by advertising, attending national tradeshow like BIO and RSA, engaging our customers through email and social media, and touting our resources and commitment to our customers through our new "Open for Business" website.

I am looking forward to working more closely with all of you in the coming years as we continue to show the world that Maryland is the place to live, the place to play, and, above all, the place where business thrives.

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

Kelly Schulz, Secretary

# We Have Momentum

**#6** in venture capital investment

**6.7%** Baltimore industrial market vacancy rate, a record low

**49** companies filed **More Jobs for Marylanders** applications, 2,000 new jobs anticipated

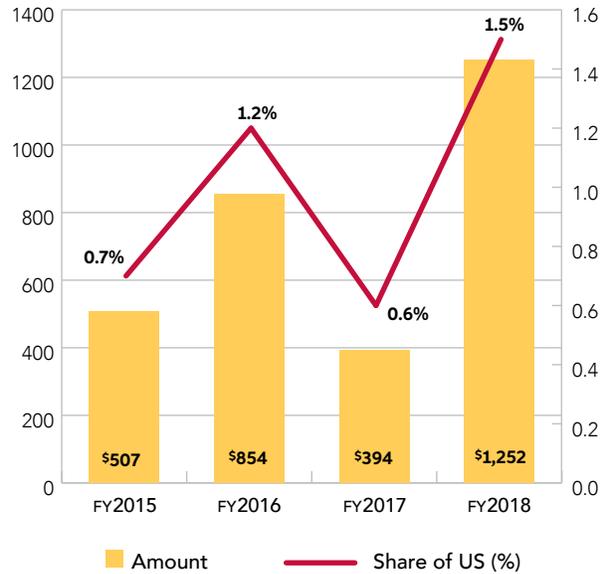
**\$748** million anticipated capital investment in FY18 a 203% increase over FY17

**\$2.4** billion in state and local taxes generated by tourism

**100** million advertising impressions for Open for Business campaign

**227,316** unique web visitors since February 2018 launch

## Venture Capital Investment in Maryland in millions



Source: PwC Money Tree

**MD VC +217.7%**    **US VC +32.1%**

“The Merriweather District represents the future of Maryland’s tech evolution, and as the future home of Tenable’s new headquarters, it also means hundreds of new jobs right here in Columbia.”

**Larry Hogan**  
Governor  
State of Maryland



# 2018 Legislative Session Recap

During the 2018 session of the Maryland General Assembly, lawmakers revised two popular tax credits and introduced two new tax credits. The Cybersecurity Investment Incentive Tax Credit was changed to award the credit to a qualified investor instead of the company. In addition, a new cybersecurity program incentivizes the purchase of cybersecurity goods, products or services from Maryland companies. Other changes include creating a credit against the state income tax for a small business to provide paid sick and safe leave to qualified employees, and alterations to the One Maryland Tax Credit.

## **Cybersecurity Investment Incentive Tax Credit (revised)**

The revised Cybersecurity Investment Incentive Tax Credit provides a refundable income tax credit to a Qualified Investor, which is any individual or entity that invests at least \$25,000 into a Qualified Maryland Cybersecurity Company (QMCC). An investor may receive a credit equal to 33% of an eligible investment (up to \$250,000) in the QMCC, or 50% of the investment (up to \$500,000) if the QMCC is located in Allegany, Dorchester, Garrett or Somerset counties.

## **Buy Maryland Cybersecurity Tax Credit (new)**

The new Buy Maryland Cybersecurity Tax Credit allows for qualified buyers to apply for a tax credit for the purchase of Maryland cybersecurity goods, products or services from Maryland cybersecurity businesses. A qualified buyer who purchases cybersecurity goods, products or services from a qualified seller may claim a credit against the state income tax in an amount equal to 50% of the cost incurred during the taxable year of the purchase. This may not exceed \$50,000 for each qualified buyer. Aggregate claims in any taxable year for cybersecurity technology purchased from a single qualified seller may not exceed \$200,000. The program is capped at \$2 million for tax year 2018. A quarter of the funds appropriated for the tax credit are required to be used to incentivize the purchase of cybersecurity services.

## **One Maryland Tax Credit (revised)**

Businesses in an eligible industry sector that invest in an economic development project in a Tier 1 county may qualify for up to \$5 million in income tax credits. The amount of credit that a business will qualify for depends on the amount of eligible project costs it incurs and the number of new qualified jobs it creates in a 24-month period. A business may qualify for the following maximum credit amounts:

- For businesses that create 10-24 qualified positions: maximum \$1 million in credits based on eligible project costs.
- For businesses that create 25-49 qualified positions: maximum \$2.5 million in credits based on eligible project costs.
- For businesses that create at least 50 qualified positions: maximum \$5 million in credits based on eligible project costs.

Eligible project costs include qualifying costs incurred in connection with the acquisition, construction, rehabilitation and installation of a project. Other costs related to furnishing and equipping the project for ordinary business functions also qualify. The credit can be carried forward 10 years and is refundable, subject to certain limitations.

## **Small Business Relief Tax Credit (new)**

The Small Business Relief Tax Credit is a refundable tax credit available to small businesses that provide their employees with paid sick and safe leave. To qualify for the tax credit, a small business must have 14 or fewer employees and provide its employees with paid sick and safe leave in accordance with the Maryland Healthy Working Families Act. The tax credit is up to \$500 per employee and \$7,000 per small business for each year a small business and its employees qualify for the credit.



## Tenable Plans Major HQ Expansion, 320 New Jobs

Tenable Network Security, one of the nation's fastest-growing cybersecurity software companies, is planning a major expansion at its new corporate headquarters in Howard County. The company plans to occupy 150,000 square feet of a newly constructed 350,000-square-foot building in the Merriweather District of downtown Columbia in early 2019. The Merriweather District is the first high-density, mixed-use neighborhood in the redevelopment of downtown Columbia. The project will accommodate growth of 320 new jobs over the next several years and is expected to further the growth of Howard County's vibrant cybersecurity corridor. Tenable announced an initial public offering in July 2018, raising \$288 million.



## Top Business and Economic Development Highlights

Commerce business development professionals are dedicated to providing various, and often numerous, solutions to help new, existing and expanding businesses succeed. At the same time, they work closely with economic developers, industry, legislators and state and federal agencies to identify challenges, provide support and grow Maryland's business community and its economy. The following business and economic development highlights speak to this dedication.

### **Amazon Opens Fourth Facility in Maryland, Adds 1,500 Jobs**

Construction is underway for Amazon's 855,000-square-foot, state-of-the-art fulfillment center at Tradepoint Atlantic, the new 3,100-acre site at Sparrows Point in Baltimore County. Scheduled for occupancy in 2019, the facility will bring 1,500 new jobs, innovation and opportunities to the region. The company currently employs more than 5,000 full-time associates at three existing facilities in Baltimore City and Cecil County. Associates at the new facility will pick, pack and ship customer items such as electronics, books, housewares and toys. Commerce provided a \$2 million Advantage Maryland conditional loan; Baltimore County provided a \$200,000 conditional loan.

**“Amazon's decision to locate at Tradepoint Atlantic further establishes our location as a top destination for users seeking a best-in-class multi-modal logistics platform.”**

**Eric Gilbert**  
Chief Development Officer  
Tradepoint Atlantic

### **Bank of America Expansion to Add 600 Jobs**

Bank of America, one of the world's leading financial institutions and the largest bank in the Baltimore region, is expanding. The company plans to add about 600 jobs at its Hunt Valley complex by 2020, raising total employment at the site to 1,500. The new jobs primarily will comprise call center and staff support positions.

Improvements include additional space, an upgraded interior and increased parking. The location is next to McCormick's new headquarters and across the street from Hunt Valley Mall. The project qualifies for Job Creation Tax Credits.

### **Stanley Black & Decker Expanding HQ, Adding 400 Jobs**

Stanley Black & Decker, the world's leading provider of tools and storage, is expanding its Global Tools & Storage headquarters in Towson. The Fortune 500 company currently occupies 565,000 square feet in Towson and plans to add an additional 92,000 square feet in the Greenleigh development in Middle River. Stanley Black & Decker has approximately 2,300 employees in Maryland, and this expansion project will support the addition of 400 jobs. Commerce provided a \$2 million Advantage Maryland conditional loan; Baltimore County provided a \$200,000 conditional loan.

### **More Jobs for Marylanders Generates Statewide Interest**

Since the launch of this program in 2017, the More Jobs For Marylanders (MJM) program has generated interest from 124 manufacturers statewide to locate or expand. Forty-nine of these companies have filed enrollment applications in FY 2018. These projects are anticipated to create nearly 2,000 jobs. In 2018 the program was expanded to include five additional counties where companies can receive the highest benefits. MJM was part of Gov. Larry Hogan's 2017 Maryland Jobs Initiative to incentivize manufacturers to create jobs in Maryland.

### **JBG Smith and Host Hotels Relocate to Maryland**

Real estate development and investment firm JBG Smith will relocate by fall 2019 from Washington to downtown Bethesda, where it is constructing a 280,000-square-foot building at 4747 Bethesda Ave. The move will bring 138 jobs to Maryland, create another 55 jobs over two to three years, and retain 230 existing Maryland jobs. In addition, JBG Smith will lease approximately 55,000 square feet to Host Hotels & Resorts, which will relocate its corporate headquarters there from their current location. An S&P 500 and Fortune 500 company, Host Hotels employs 187 full-time workers in Montgomery County. To assist Host Hotels with project costs, Commerce approved a \$600,000 Advantage Maryland conditional loan. Montgomery County is providing a \$300,000 conditional grant.

### **Viela Bio Locating in Gaithersburg, Up to 100 New Jobs**

Viela Bio, a new biotech company that spun out of MedImmune and the global biologics research and development arm of AstraZeneca, is locating in Gaithersburg. The company will focus on autoimmune and inflammatory medicines and plans to create 100 jobs over five years. To assist with project costs Maryland Commerce has approved a \$2 million Advantage Maryland conditional loan, and Montgomery County is providing a \$750,000 conditional grant. The company has invested \$3 million in initial capital expenditures and is eligible for Job Creation Tax Credits.





**BLACK & DECKER**

**MATRIX X**

### **Montgomery County an Amazon HQ2 Finalist**

The Department of Commerce worked closely with four counties and Baltimore City to pitch Maryland for Amazon's second headquarters, known as HQ2. The \$5 billion project is expected to create 50,000 jobs over the next 17 years. The effort also pulled in numerous other state agencies and partners. In January 2018, Amazon announced its list of finalists, which included Montgomery County, Maryland. Commerce worked diligently with the county, state agencies and other partners on the final proposal, which included a tax incentive package specifically crafted for Amazon.

### **Partnership for Workforce Quality Recapitalized**

The Partnership for Workforce Quality program provides workforce training grants to manufacturing and technology companies to improve efficiency and increase production. In FY 2018 Commerce approved 34 matching grants totaling \$910,497 to train 1,210 trainees. Established in 1989 to invest in workforce training but not funded for the past several years, the program was recapitalized at \$1 million annually beginning in FY 2018 as part of Gov. Larry Hogan's 2017 Maryland Jobs Initiative. Eighty-two percent of the grants went to manufacturers. Training in technology and automation made up 46% of the training projects, with process improvement, product design and quality improvement rounding out the remaining 54% of projects.

### **149 Opportunity Zones Selected**

The nominations of Maryland's 149 Opportunity Zones were made as part of the Opportunity Zone program, a nationwide initiative administered by the U.S. Treasury, which provides federal tax incentives for investment in

distressed communities over the next 10 years. Areas designated as Opportunity Zones will be able to reap the benefits of capital gains to help redevelop underserved communities. Designed to drive long-term private investment to these distressed communities, investors will be able to defer and even reduce their federal tax liability on the sale of assets if they place their gains into an Opportunity Fund, which will pool capital and support investments in small businesses and real estate within the Opportunity Zones. The Maryland Department of Housing and Community Development will administer the program with support from the Maryland Department of Commerce.

### **Paragon Bioservices to Expand Manufacturing Facility**

Paragon Bioservices' new commercial manufacturing facility, under development in Anne Arundel County, will create 200 jobs over the next four years. Paragon, a leading biologics contract development and manufacturing organization with expertise in gene therapy and next-generation vaccines, is also leasing 150,000 square feet in the Baltimore Washington Gateway development on Harmans Road. To assist with project costs Maryland Commerce has approved a \$600,000 Advantage Maryland conditional loan, and the county is providing \$60,000 to aid the growth of Paragon's workforce. The company has invested \$35 million in capital expenditures and is eligible for the state's Job Creation Tax Credit and the More Jobs for Marylanders Tax Credit. Paragon's workforce has grown from 100 employees three years ago to more than 225 today, becoming one of the Greater Baltimore region's fastest-growing, privately held biotechnology companies.

**“We appreciate the State of Maryland's commitment to our new company, and look forward to contributing to the state's strong life sciences industry and helping to achieve their goal of becoming a top three biohealth cluster by 2023.”**

Bing Yao  
Ph.D., CEO  
Viela Bio



### Select Recruitment and Expansion Projects

Company	Location	Industry	New Jobs	Capital Investment
Amazon	Baltimore County	Distribution	1,500	\$225M
Bank of America	Baltimore County	Financial Services	600	\$8M
DataWatch Systems	Montgomery County	Security Services	50	\$4.7M
Fabricated Extrusion	Washington County	Manufacturing	50	\$5M
Fox Television	Montgomery County	Broadcast Media	200	\$35M
Gotham Greens	Baltimore County	Manufacturing	60	\$9M
Medline	Cecil County	Distribution	200	\$84M
Paragon Bioservices	Anne Arundel County	Manufacturing	200	\$43M
Sinclair Broadcast Group	Baltimore County	Broadcast Media	367	\$12M
Stanley Black & Decker	Baltimore County	Manufacturing	400	\$8.5M
Supernus Pharmaceuticals	Montgomery County	Biotechnology	160	\$20M
Tenable Network Security	Howard County	Cybersecurity	320	\$16M
Union Craft Brewing	Baltimore City	Manufacturing	25	\$8.5M
United Foods International	Harford County	Distribution	125	\$5M
Viela Bio	Montgomery County	Biotechnology	100	\$3M

# Telling Maryland's Story

Commerce's Marketing and Communications team tells Maryland's story through advertising, trade shows, brochures, videos, emails, social media outlets and the Open.Maryland.gov website. The team works closely with the Maryland Marketing Partnership to develop a yearly media plan to get the Open for Business campaign message out to a nationwide audience.

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## Open for Business Advertising Campaign

# 100M+

advertising impressions in FY 2018

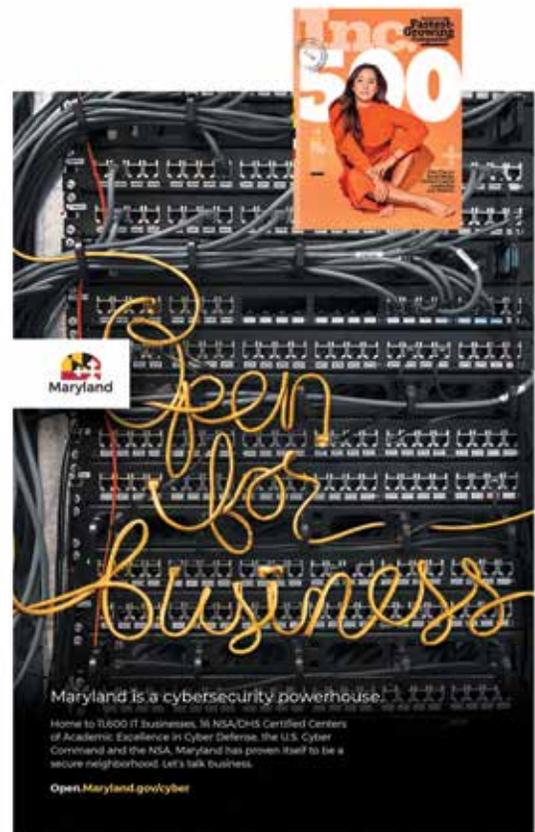
## Markets Targeted

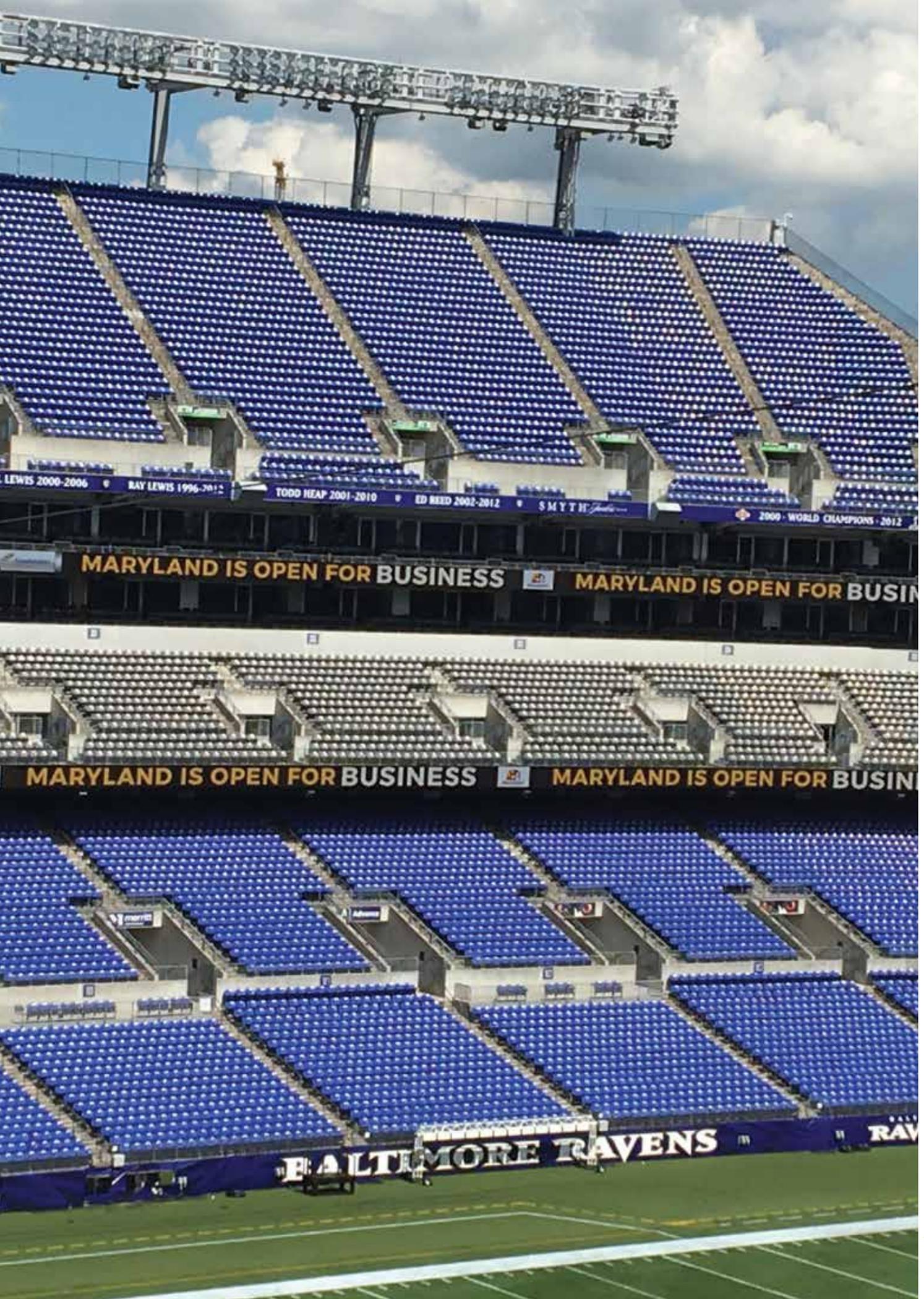
NY, MA, PA, DC, VA, NC, FL, CO, TX, CA

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Maryland's business advertising campaign—Open for Business—reaches business executives nationwide with emphasis in the cybersecurity, biohealth, financial services and advanced manufacturing industries. The campaign targets executive level decision makers through print, online, outdoor and radio advertising placements.

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 received commitments of \$4.7 Million from 37 Maryland companies through multi-year terms. Commerce's marketing staff works closely with the Partnership to oversee and implement the campaign.





## Maryland's Business Message Reaches National Markets



Maryland's Open for Business message was reinforced with targeted advertising at the nation's premiere cybersecurity conference, RSA, held in San Francisco every year. Tactics included outdoor advertising on a truck as well as geo-fenced digital placements. The trucks with Maryland advertising drove around the convention center and area hotels throughout the week. People in the area were also served banner ads on their devices and re-targeted for two weeks after the event. The initiative supplemented the Maryland booth and

events that also took place at the conference. Advertising drove an additional 4,000 visitors to our website during that week.

Commerce's marketing staff developed a series of customized brochures touting the key industries in Maryland, our business resources, and a signature Open for Business brochure that tells the Maryland story. Our business development teams use these sales tools at trade shows and special events in Maryland and all over the world.



**2,483**  
media features placed

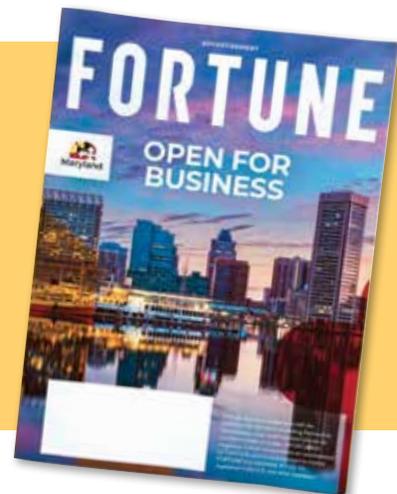
**448,637**  
total audience reach at shows

**755,209**  
annual web visitors

**26** national/  
international  
events

**\$2.4M** value of media  
coverage

**Special Project:** Maryland sent five months of free issues of *Fortune* magazine to 500 high-tech business prospects in the northeast this year. Each issue was wrapped with a specially designed four-page cover that featured the Maryland business story, highlighting our highly-skilled workforce and business strengths.



# \$1,468,333

total private sector dollars raised through fundraising

# \$482,850

value of creative projects on the open market

# 37,552

social networking audience size

# 19,251

unique email subscribers



### **New Website Launched February 2018**

Our new business retention and attraction website, Open.Maryland.gov, launched in February to help tell Maryland's Open for Business story. The website communicates Maryland's business message, showcases key industries, and highlights unique assets for business through carefully curated content and appealing visuals. Advertising and collateral material

drive traffic to the website and analytics are collected on the visitors. The data collected are used to improve future campaigns.

The new site also features video success stories that allow visitors to hear directly from CEOs about the business advantages in Maryland. The Commerce digital marketing team conduct the interviews and edit this ongoing video series.

# Industry Market Hot Bed

## Choptank Transport—Award-winning 3PL

Choptank Transport is a full-service 3PL, or third-party logistics company, offering specialized freight services. For more than 20 years, the company has provided award-winning customer service and holds a decade-long record of having one of the fastest growth rates in the industry. Headquartered in Caroline County, the company has additional offices in Baltimore, Tampa, Denver, Dallas and Atlanta, and also serves Canada, Mexico and other international destinations.

### In Good Company



PANDORA



GRACE

Demonstrating market confidence and momentum, the state's distribution and logistics industry experienced a spike in activity during FY 2018. CBRE's 3Q2018 Baltimore market report reveals the vacancy rate for the industrial market decreased to 6.7%, the lowest rate the market has recorded.

Additional findings from CBRE:

- User demand for big-box warehouse space over 500,000 square feet reached an all-time high in 2018.
- Speculative development remains robust, with 2.8 million square feet delivered in 2018 and an additional 6 million square feet expected to deliver by the end of 2019.
- The Greater Baltimore market absorbed 6.6 million square feet of industrial space in 2017, and another 3.4 million square feet over the first three quarters of 2018.

Maryland's industrial market is a logistical dream in which companies benefit from a strategic location with the power of the Port of Baltimore and a robust network of interstate highways and rail lines. Third-party logistics (3PL) companies provide critical supply chain transportation services for Maryland's explosive distribution activities.

**“Maryland offers an extremely competitive and attractive location for companies looking to distribute their products to a large percentage of the U.S. population, and this impressive new facility [The Container Store] is further proof that Maryland is truly open for business.”**

**Larry Hogan**  
Governor  
State of Maryland

## Recent Distribution and Logistics Projects



**Location: Cecil County**  
**Industry: Distribution**  
**300 Jobs**



**Location: Tradepoint Atlantic  
Baltimore County**  
**Industry: Distribution**  
**1,500 Jobs**

**Location: Cecil County**  
**Industry: Distribution**  
**700 Jobs**



**KÜHNE+NAGEL**

**Location: Harford County**  
**Industry: Logistics**  
**225 Jobs**

**The Container Store**

**Location: Harford County**  
**Industry: Distribution**  
**130 Jobs**



**Location: Anne Arundel County**  
**Industry: Distribution**  
**200 Jobs**



**Location: Howard County**  
**Industry: Distribution**  
**500 Jobs**



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 any size.

Maryland is known for its frontier innovation, superior education, quality of life, and talented and highly skilled workforce. The Commerce Department works closely with key stakeholders to bring together the state's nationally preeminent life sciences and cybersecurity industries, stakeholders and academia to capitalize on and grow its assets. Additional business development focus areas include innovation in aerospace and defense, agribusiness, energy and sustainability, professional services, manufacturing and education.



## Driving Innovation and Growth

### Global Cyber Analytics Center Comes to College Park

BlueVoyant global cybersecurity firm with offices in New York, the D.C. area, London, and Tel Aviv, plans to establish a Global Cyber Analytics Center at the University of Maryland, College Park. The company will employ 25 highly skilled analysts and data scientists, and plans to add more team members with the move to the new facility in the university's Discovery District. The new center will analyze internet traffic data as well as insights on dark web activity to help defend companies against external cybersecurity threats. To assist with project costs, Maryland Commerce has approved a \$100,000 Advantage Maryland conditional loan.

**“We chose this location because of its proximity to the University of Maryland and its talent base with government and private-sector experience, as well as the chance to be a part of the College Park growth plan.”**

**Dan Ennis**

Global Head of Threat  
Intelligence and Operations  
BlueVoyant

### Maryland's Cybersecurity Sector Attends RSA™ 2018

For the seventh consecutive year, Maryland Commerce led a delegation of Maryland cybersecurity companies, federal agencies, educational institutions, and economic development partners at RSA 2018, the nation's premier information security conference and expo. The annual conference draws more than 40,000 attendees. Commerce's signature event featured Bob Ackerman and Dave DeWalt of AllegisCyber sharing their insight into the state of cybersecurity. The breakfast attracted more than 100 guests, representing cybersecurity companies and partner organizations from the U.S., the U.K., Australia, Canada, Estonia, and Israel.



**“Maryland is a great place to be, especially when it comes to cybersecurity.”**

**Kevin Lancaster**  
Chief Executive Officer  
ID Agent

### **ID Agent Experiences Exponential Growth**

ID Agent, a provider of dark web monitoring and identity theft protection solutions, relocated from Washington to Bowie, citing the direct access to a specialized and talented workforce, affordable cost of living and central location. After expansion, the company will bring 10 jobs to Maryland and anticipates doubling its workforce in the coming year. ID Agent has experienced exponential growth—over the past 10 months, the company’s IT client list grew from two companies to more than 570—demonstrating the crucial demand for the company’s data theft prevention solutions.

### **Innovation Hub Launches in Columbia**

Working with a Baltimore-based entrepreneurial nonprofit organization and the U.S. Cyber Command, Maryland Commerce helped to launch the Maryland Innovation and Security Institute (MISI) with plans to create a new center called DreamPort. The military—in a declassified setting—will be able to connect to cyber innovation, create opportunities for collaboration with industry and academia, and conduct rapid prototyping to get solutions into the hands of operators. Located in Columbia, the 20,000-square-foot space will have a co-working lab and meeting space and host regular events. Maryland Commerce supported MISI’s winning proposal with a Statement of Capabilities for ongoing

state support, helping secure the award against teams from Wisconsin and Colorado. Supported by significant federal investment, DreamPort has the potential to draw companies from across the nation, and the world to become a one-of-a-kind innovation hub.

### **Cyber Outreach Events Well-Attended**

Maryland Commerce partnered with the Maryland Chamber of Commerce to put together two well-attended programs offering immediately implementable actions that small businesses can take to improve their cybersecurity posture. Several hundred participants attended or joined webinars, and the program will continue in the next fiscal year. Maryland Commerce also partnered with the Cybersecurity Association of Maryland and the Better Business Bureau of Greater Baltimore to offer similar programming to its members.

### **AUVSI Conference Attracts Israeli Company**

Maryland Commerce partnered with the University of Maryland UAS Test Site to establish a large state pavilion at the Association for Unmanned Vehicle Systems International (AUVSI), the world's largest non-profit organization devoted exclusively to advancing the unmanned systems and robotics community. Twelve Maryland companies occupied the state's pavilion, demonstrating the quality and depth of the emerging autonomous systems industry in the state. Maryland stood out on the expo floor and drew significant national and international attention. CONTROP USA opened a Lanham location as a direct result of the AUVSI conference. The Israeli company specializes in the development and production of innovative electro-optical infrared camera systems for surveillance, reconnaissance, defense and homeland security applications on air-land-maritime platforms.

### **STEER Technology Drives Car, Parks Car**

Maryland startup STEER Technology is the first fully autonomous parking technology to transform everyday cars into driverless vehicles that self-park in designated lots. The technology enables the car to locate a parking place, park itself, and then respond to a summons from its driver to return and pick them up. Maryland Commerce has assisted the company in its growth by finding STEER a suitable facility and helping it apply for Maryland's Job Creation Tax Credit. In 2018, STEER announced a partnership with The Howard Hughes Corp. to install their system in the new Merriweather District, and received a permit to test autonomous parking at a State Highway Administration park-and-ride lot and BWI's parking garage. The company is also garnering interest in Asia.

### **DefTech Center a Commercialization Hub**

The Maryland DefTech Center is a regional collaboration led and managed by Maryland Commerce, in partnership with Harford and Cecil counties. The initiative is funded by the Department of Defense's Office of Economic Adjustment to promote engagement and advancement of commercializing defense technologies at Aberdeen Proving Ground (APG). Since its opening in February 2018, the center has fostered 11 commercialization projects, established a "Taking Technologies to Market" meet-up group of 65 members, and hosted numerous seminars and workshops geared toward generating business and entrepreneur interest. The DefTech Center, a hub for commercialization of U.S. Army technologies developed at APG, also provides convenient, off-base office space for APG Tech Transfer Offices.

### **Nammo Energetics Investment Approved**

Nammo Energetics Indian Head has been established in partnership with the Naval Surface Warfare Center (NSWC) at Indian Head. Norwegian missile manufacturer Nammo approved an investment of up to \$40 million in a new production facility at NSWC's Indian Head Explosive Ordnance Disposal Technology Division. The announcement was the culmination of years of activity by Maryland Commerce, working with the local jurisdictions and the Department of Defense, to first help secure a public-private partnership that would allow Nammo to locate on the Navy base and then win the company's decision to invest in a new facility. Nammo will bring more than 130 manufacturing jobs to NSWC over the next five years. To assist with the project, Maryland Commerce approved a \$400,000 Advantage Maryland conditional loan.

### **Statewide Joint Land Use Study to Provide Guidance**

With a grant from the DoD's Office of Economic Adjustment's Compatible Use program, Maryland Commerce led a statewide joint land use study to promote compatibility between Maryland military installations and surrounding communities, including the development of a plan to address existing, or prevent future, incompatible land use or activities. The development of this plan, involving state, local and military stakeholders, culminated in seven recommendations and 31 implementation measures to address issues such as enhanced coordination and communication between military, localities and the state; alternative energy development for wind and solar; compatible land use policies and planning guidelines; and more issues related to compatibility.

### **Maryland Defense Diversification Assistance Program Generates Participation**

In FY 2018, Maryland Commerce received 20 applications from Maryland defense firms looking to participate in its Maryland Defense Diversification Assistance (MDDA) program. Fifteen were selected to receive assistance from the Maryland Manufacturing Extension Partnership, the Maryland/DC District Export Council, and TEDCO for commercialization and globalization services. Additionally, nine companies participated in the June 2018 Industry Innovation Executive Seminar for MDDA clients, which provided defense firm CEOs with the skills and knowledge to enter commercial markets. One hundred percent of participants would recommend the training to other firms, according to a client satisfaction survey.

### **Supernus Pharma Could Add Up to 160 Jobs**

Supernus Pharmaceuticals, a company focused on developing and commercializing products for the treatment of central nervous system diseases, plans to add up to 160 jobs over the next five years as part of its expansion in Montgomery County. The company is moving its Rockville headquarters, research and development, and pilot-scale manufacturing operations to an 118,000-square-foot space on Quince Orchard Road in Gaithersburg. Supernus currently employs 156 workers in the county and expects to move into the new space in 2019. Commerce approved an \$800,000 Advantage Maryland conditional loan and a \$90,000 training grant through the Partnership for Workforce Quality program to train employees on high-tech IT process controls and capabilities.

### **Bridges to Biotech Network for Professionals**

Bridges to Biotech is a collaboration between the University of Maryland School of Medicine, Johns Hopkins University, the National Institutes of Health and Maryland Commerce to connect the state's talent pool to future employers. Companies typically will host an informal morning or afternoon session providing Ph.D. students and postdoctoral fellows with additional information and networking within the industry. Each Bridges to Biotech session is hosted by a different Maryland biotech business, allowing companies to discuss the skills needed to be successful in the science sector, as well as help students understand the variety of employment opportunities available throughout the company and the state.

### **BIO Convention Attracts 16,000**

Hosted by the Biotechnology Innovation Organization, BIO International attracted more than 16,000 people from 74 countries and featured more than 500 sessions. During the convention, Maryland hosted more than 150 attendees from U.S. and international companies at a reception showcasing the global influence of the state's biotech sector. Members of the Maryland delegation met with international gene therapy and vaccine companies and industry leaders in medical devices, pharmaceuticals and manufacturing. Among the 45 Maryland companies that participated in the state's delegation were AstraZeneca MedImmune, Pharmaceuticals International Inc., Altimmune, Leidos Health, REGENXBIO, MacroGenics, Smithers Avanza, and Paragon Bioservices.

### **Technology Transfer Summit Draws 300 Attendees**

In April 2018 the Maryland Technology Transfer Summit brought together thought leaders from across the state to share ideas, best practices and strategies to improve the transfer of innovative technologies from Maryland's universities and federal research institutions. Organized by Maryland Commerce and hosted by NIST, the summit drew nearly 300 attendees and included interactive sessions between industry, innovators, business enterprises, academia, research institutes, venture capitalists and serial entrepreneurs. The summit led to the formation of the Maryland Commercialization Council, and a series of events are being planned to highlight transformational innovations and technologies in such areas as gene therapy, personalized medicine and medical devices. Sponsors included the U.S. Department of Commerce, Maryland Commerce, the Federal Lab Consortium and the Maryland Life Sciences Advisory Board.

### **Maryland Life Sciences Advisory Board**

The LSAB met four times in FY 2018 with five separate working groups creating and implementing initiatives focused on leveraging and growing Maryland's asset base and accelerating commercialization of technologies; increasing connectivity among and awareness of Maryland's life science assets; increasing availability and access to capital for early stage companies; growing Maryland's talent pool for the life science industry; and facilitating a task force to recommend changes to federal and state policy regarding technology transfer coming from our federal and university laboratories.

## **E-Nnovation Initiative Supports Research Professorships**

Johns Hopkins University and the University of Maryland, College Park, in partnership with Maryland Commerce, have endowed a total of \$8.6 million in three new research professorships. The endowments were made through the Maryland E-Nnovation Initiative, a state program created to spur basic and applied research in scientific and technical fields at the colleges and universities. The schools raised a total of \$5 million in private funding for each chair, and Maryland Commerce approved matching grants of \$3.6 million to support the endowments.

## **Creating an Innovation Hub for Bioengineering**

The University of Maryland's Robert E. Fischell Institute for Biomedical Devices is bringing together skilled scientists, medical doctors, health practitioners and bioengineers who are working to research, design and build biomedical devices to benefit humanity, while simultaneously training the next generation of innovators. Maryland Commerce has supported the institute since its inception, providing financial support and assistance facilitating a partnership with the Federal Drug Administration, building connections with Maryland's medical device industry, marketing the institute as a tool for business growth and driving companies to use their services. Located in UMD's A. James Clark Hall, the institute will occupy more than 15,000 square feet of laboratory and research space. Technologies developed here will be translated into clinical environments around the world.

## **Offshore Wind**

Maryland Commerce is working to organize the state's offshore wind (OSW) logistics and distribution supply chain and subcontractors for the first approved OSW sites on the East Coast. Contractors Deepwater Wind and U.S. Wind are in the early project development stages. Supporting this major commercial and mixed-use development project, Tradepoint Atlantic has been awarded a Transportation Investment Generating Economic Recovery Discretionary Grant to improve a portion of its bulkhead to accommodate the tremendously heavy materials associated with OSW manufacturing.

## **Work Group Forms to Address Sustainable Materials Management**

The Maryland Department of the Environment was tasked, by executive order, with leading and working with other key state agencies including the Department of Commerce, to build partnerships and collaborations for sustainable materials management. The result was the formation of the Sustainable Materials Management Maryland (SM<sup>3</sup>) work group. SM<sup>3</sup> goals include: Identify and collaborate with a wide range of multisector companies and entities, along with their suppliers and key public-sector leaders, to design and implement materials management initiatives and projects for Maryland that will foster new materials management businesses in Maryland; conserve natural resources; meet climate change goals for 2030 and beyond; and embrace new and more effective measures of success.





**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.**



## Across Maryland

**2,051** total combined direct and group outreach to Maryland businesses

### Eastern Shore

#### Partnership for Workforce Quality (PWQ) Impact

**Miltec Corp.**, the world's leading manufacturer of high-performance UV curing systems, will train employees on the latest software and systems technologies to increase customer service and product quality. Assistance from an \$11,270 Partnership for Workforce Quality grant will enable the Stevensville company to host seven training sessions for the company's 32 full-time employees. The sessions will focus heavily on training existing workers so they can educate new staff in order to save resources and maximize worker productivity.

**The Whalen Co.**, located in Easton, manufactures the original vertical stack valveless fan coil units, the first removable chassis ducted vertical heat pumps, and the first AHRI-listed, water-cooled air conditioning units with hydronic heat. The company is adding a third plant operation and several new employees to accommodate its growth. Whalen is making use of workforce training and job creation-related programs: PWQ, More Jobs for Marylanders and the Maryland Job Creation Tax Credit.

**Protenergy Foods**, a manufacturer of low acid food and beverage products located on Woods Road in Cambridge, is investing over \$30 million in expanding its facility and adding 35 jobs to its existing 160. Commerce, in partnership with Dorchester County, offered a \$100,000 Advantage Maryland conditional loan as an incentive and also provided a \$100,000 PWQ grant for workforce development.

#### Delaware Elevator Expansion

Delaware Elevator is expanding their manufacturing operations by building a 30,000-square-foot building in Salisbury. The companies are investing about \$1.8 million in capital improvements, retaining their existing 300 employees and adding 25 full-time positions. Commerce approved a \$200,000 Advantage Maryland conditional loan to help secure the terms of the expansion and has also offered funds to support employee training at the

company's training facility in Salisbury. Delaware Elevator has operated as a family-owned, full-service elevator company since 1946. It recently opened its own in-house manufacturing facility.

### **Nat-Phen a Natural for Wicomico County**

Nat-Phen International, a manufacturer of natural food additives for livestock feed, chose Wicomico County as the site of a new manufacturing facility. The Quebec-based company expects to invest \$10 million in the new facility over the next five years and create up to 25 jobs, with the potential for additional jobs once the site is fully operational. Nat-Phen produces plant-based polyphenol additives to enhance the feed given to swine, poultry, cattle and other livestock and keep the animals healthy. The company's Maryland operations will focus on the poultry industry, producing finished products for the U.S. domestic farming market.

**“Wicomico County, Maryland's central location, the commitment of Salisbury and Wicomico officials and the strong partnership with the economic development folks have made this decision easy.”**

**Yves Marchand**  
Principal  
Nat-Phen International

### **SunX Analytical Opens New Wet Lab**

SunX Analytical is a testing laboratory and workforce training center focused on the promotion of industrial hemp production. It provides new wet lab space in Cambridge at the Dorchester Innovation Center. The owner, chemist Barry Pritchard, states that the Seed to Sale – SunX Certified™ Quality Assurance Program provides growers and processors with sampling protocols (if requested), test results and best practices feedback needed to efficiently produce a wide variety of products associated with industrial hemp. Commerce helped fund the establishment of the Dorchester Innovation Center where the wet lab is located and also provided business development and technical assistance directly to the company.

### **Major Kent County Employer Expanding**

Dixon Valve & Coupling Co., located in Chestertown, is building a 150,000-square-foot warehouse. The company, a leading innovator in the hose coupling industry, is investing \$20 million in the expansion.

Operating for more than 100 years, the company is one of the largest employers in Kent County, with more than 340 employees. Dixon oversees 20 offices across North America and 1,600 employees worldwide. The new warehouse/distribution center is the first phase of a larger vision of the Chestertown Business Campus. To assist with the expansion, Commerce approved a \$1 million Advantage Maryland conditional loan, and Kent County Commissioners are providing a \$100,000 match to help complete the project.

## **Southern Maryland**

### **All Hands on Deck in Indian Head**

At Maryland Commerce, it is all hands on deck with the economic development of historic Indian Head, home to the Naval Surface Warfare Center (NSWC), which employs more than 4,000 people. Support includes providing an \$180,000 grant to provide fiber connectivity for the town, including NSWC'S main gate area, paving the way for general and future top secret connectivity businesses supporting the base. In addition, Maryland Commerce joined forces with DHCD to review applicants for the Neighborhood Revitalization Grant program, awarding 30 applications with funding totaling almost \$10 million to supplement costs for blight removal. The economic future of Indian Head is also gaining traction with a \$550,000 state grant to tear down a blighted strip mall to make way for the College of Southern Maryland Velocity Center. The center will help engineers utilize lab services and equipment to innovate ideas supporting the base's chief energetics products as well as commercializing these products. Adding to the area's momentum is the recent announcement saluting an approved investment to manufacturer Nammo, of up to \$40 million in a new production facility at NSWC.

### **Workforce Training Boosts Manufacturing**

Three Southern Maryland businesses—Heritage Printing, CHUTES and Platform Aerospace—are part of the diverse rural manufacturing community embracing multiple industries such as printing, traditional manufacturing and aerospace design and prototyping. Each of the companies are recipients of workforce assistance through the Partnership for Workforce Quality training program. The program provided nearly \$65,000 in funds to train their employees in the areas of new paper press operations, CNC machining equipment, and software design processes. The training investment added value to the employee base, and created opportunities to expand operations and increase the workforce.

## A Happy Customer

Hello all,

There is NO way I can adequately thank you for your help with the progress on the Hollywood Commercial Center! There is no doubt in my mind that your involvement and advocacy made THE difference. If there is anything we can ever do to assist the Dept. of Commerce, we would welcome the opportunity. With any luck I'll be able to send you a photo of the first shovel going into the ground in Hollywood sometime this spring!

Many thanks,

**Karen Dean, General Partner  
Dean Partnership, LLP**

## Western Maryland

### Western Maryland Fiber Project Update

The Tri-County Council for Western Maryland is leveraging additional available funds to perform a significant schedule of broadband improvements in Western Maryland. To assist with the Fiber Project costs, Maryland Commerce approved a \$242,000 Advantage Maryland conditional loan. In Allegany County, Phase I will add new lateral lines from LaVale to Cumberland, including a loop around downtown Cumberland, the North Branch Industrial Park and Barton Business Park. Phase I also connects five of the six Garrett County industrial parks to fiber (McHenry, Central Garrett Industrial, Southern Garrett Industrial, Southern Garrett Business and Technology and Keyser's Ridge). Projected completion of Phase I is the end of 2018, with an economic impact that includes the retention of more than 6,000 jobs and the potential for more than 1,800 new jobs.

### Firefly Farms Wins Whole Foods Contract

Garrett County's Firefly Farms has earned a contract with Whole Foods Market to supply an exclusive goat cheese to the mid-Atlantic region. This cheese, called Cabrita, will be available exclusively at Whole Foods Markets and at Firefly Farms in Accident for one year before becoming available to other retail and wholesale locations. In order to meet demand for their internationally award-winning cheeses, Firefly Farms has partnered with its Grantsville neighbor, High Country Creamery, utilizing its extra available production capacity.

### Manufacturers Choose Western Maryland

**Ring Container Technologies** selected Hagerstown for its new manufacturing and warehousing facility, creating 19 jobs. A multinational corporation based in Tennessee, Ring Container is focused on finding

sustainable solutions for the consumer packaging industry. The company has grown to be one of the largest plastic container manufacturers in North America. The Hagerstown facility, which Ring Container is retrofitting to meet its needs, will be the company's 18th manufacturing plant. Ring Container Technologies was among the first out-of-state companies to submit a notice of intent and enroll its project in the More Jobs for Marylanders program.

**Fabricated Extrusion Co.**, a provider of custom extrusion manufacturing services throughout the U.S., is establishing an East Coast presence by opening a headquarters and manufacturing facility in Hagerstown. The company plans to create 50 full-time positions in Washington County by the end of 2022. Fabricated Extrusion Co. is among the first out-of-state companies to submit a notice of intent and enroll its project in the More Jobs for Marylanders program. To assist with project costs, Maryland Commerce approved a \$166,667 Advantage Maryland conditional loan. Washington County will provide a \$50,000 conditional loan based on the creation of new jobs.

**“A Hagerstown location enables us to provide better service for the East Coast. Specifically it is uniquely positioned in terms of convenient transportation access and a talented workforce, along with local resources and support for new businesses.”**

**Jeff Aichele**  
President  
Fabricated Extrusion Co.



## Premier Rides Opens High-Tech Roller Coaster in Finland

Among the companies included in the FY 2018 round of ExportMD grants is Premier Rides of Baltimore. The engineering company and global supplier of theme park attractions celebrated the opening of the first high-tech, triple-launch coaster in Finland—a major project that Premier Rides spent the past year creating and shipping to the Nordic amusement park.



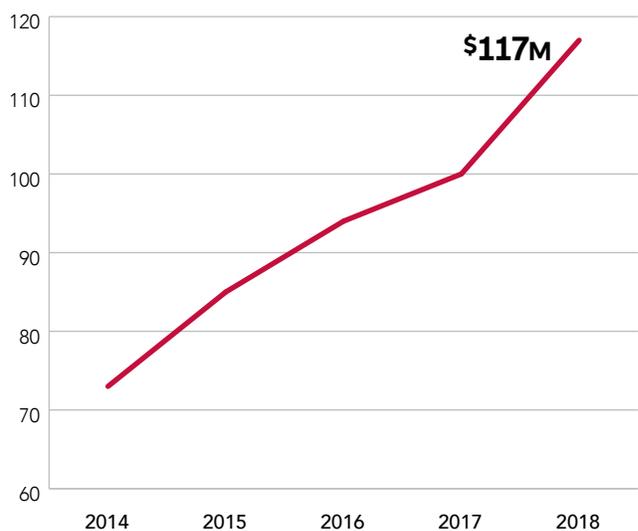
# International Investment and Trade

With a presence in 18 foreign countries, Maryland Commerce international representatives open many doors in many places for businesses. In FY 2018 they introduced Maryland companies utilizing the ExportMD grant program to new partners in all parts of the globe, including Mexico, England, Singapore, Germany and the United Arab Emirates. Conversely, they also work to encourage foreign international investment, bringing companies to Maryland seeking to expand their reach, growing both their businesses and our economy in the process.

## Exports

With 90% of the world's customers outside the U.S., Maryland companies continue to reap the many rewards of the ExportMD program. In FY 2018, grants were awarded across a wide range of industry sectors such as cybersecurity, manufacturing, aerospace and biotech.

## Value of Private Sector Export Sales\* in millions



\*Resulting from Commerce assistance

## Foreign Direct Investment

### SelectUSA Investment Summit

The annual SelectUSA Investment Summit, held in National Harbor, Maryland, continues to be the premier U.S. event for international companies looking to enter American markets. The 2018 Investment Summit focused on several issues affecting foreign direct investment in the United States, including infrastructure, tax reform, deregulation, advanced manufacturing and the burgeoning commercial space industry.

This year's summit attracted 3,000 people, including 1,200 business representatives from 66 foreign markets. The Maryland Commerce team organized a pavilion to promote Maryland and meet with companies seeking a U.S. location. At the summit, Maryland team members met one-on-one with companies from Japan, China, Australia, Southeast Asia, Europe and elsewhere to discuss their site selection needs.

### First U.S. Food Waste-to-Energy Plant Comes to Maryland

Maryland Commerce representatives provided consultation to Italian-based BTS Bioenergy, paving the way for the first food waste-to-energy plant in the U.S. A public-private partnership with the Maryland Energy Administration and Howard County Economic Development Authority, the project will stimulate up to a \$40 million investment and bring new jobs to Howard County. BTS will take food waste that otherwise may wind up in landfills, where it rots and releases large quantities of methane, and convert it to clean electrical and thermal energy. The new BTS facility will process 100,000 tons of food waste per year. BTS received a \$500,000 Combined Heat and Power grant from MEA to aid in the construction of the bioenergy facility.

## Bilateral Trade And Investment

Maryland Commerce, a founding partner of the Maryland/Israel Development Center (MIDC), a nonprofit public-private partnership with Israel's Ministry of Economy and The Associated Jewish Federation of Baltimore, promotes bilateral trade and investment in Maryland with Israeli companies, helps Maryland businesses export to Israel and identifies exciting new partners and technologies. Whether working to

facilitate export opportunities or nurture foreign direct investment, MIDC cultivates the benefits of Maryland as a new facility location, and introduces key executives to Maryland business people, customers, suppliers and partners, including county economic developers. MIDC FY 2018 activities include three Israeli companies making a difference.

### Baltimore Cyber Range First in the Nation

Electronic Technology Associates of Baltimore City joined forces with CyberBit of Israel, the cybersecurity subsidiary of Israeli defense giant Elbit Systems, to open the Baltimore Cyber Range. Located in downtown Baltimore, Cyber Range is the first stand-alone and hands-on cybersecurity training center in the nation. It utilizes sophisticated simulator technology to train IT and cybersecurity professionals about the most advanced cyber warfare strategies in an environment that gives security teams hands-on training in realistic settings and allows them to keep pace with evolving cyber threats.

### Amplio Speech Changing Therapy Methodology

For decades, speech language therapy hasn't changed: The therapist meets for short sessions with the patient, whose progress is determined subjectively by the therapist. There are no measurable outcomes, and the number of patients a therapist can see is limited by the hours in the day. Israeli company Amplio Speech, an "assistive technology" company looking to change the methodology of speech language therapy, opened an office in Baltimore City. The company has developed new digital therapy platform technology to deliver innovative speech language therapy that optimizes clinical outcomes through measurable milestones, leverages a therapist's time to be able to see more patients and allows remote "tele-therapy" delivery.

### IMNA Solutions Plans Maryland HQ

IMNA Solutions, an Israeli startup with a co-working location in Rockville, has developed secure communications, data collection and analysis tools for the health care sector to improve patient diagnosis and care as well as patient-clinician interaction. The system provides a secure communication platform augmented with voice and image analysis, emotion recognition and sophisticated data mining and machine learning features.



Maryland



FOR BUSINESS



Maryland

OPE

## Maryland Delegations Attend Worldwide Conferences

### Medica, Dusseldorf, Germany November 2017

A delegation of 11 Maryland companies attended MEDICA 2017, the world's largest medical trade show, held every year in Dusseldorf, Germany. This is the eighth year that Maryland—through Commerce's Office of International Investment and Trade—has participated in the global trade show as part of a continuing strategy to boost trade and promote Maryland to overseas businesses. Maryland companies exhibiting at MEDICA last year included: Alpha Biosciences, BioElectronics Corp., BioStat Solutions Inc., Cavalier Logistics, EndoMaster, IOB Medical, Smith Associates, SonoWorld Inteleos, Tetracore, Trideum Biosciences and U.S. Medical Innovations.

**76**  
companies  
awarded ExportMD  
grants—\$383,000

**“Howard County is a biotech heaven of resources, infrastructure and a perfect mid-Atlantic location.”**

**Cliff Wyllie**  
Vice President  
Biopharma Health Care Services  
Cavalier Logistics

### Singapore Air Show February 2018

Maryland Commerce hosted a delegation of Maryland companies at the Singapore Air Show, the largest aerospace and defense event in Asia. This is the first time Commerce has exhibited at the global trade show, promoting the state's aerospace assets and unparalleled workforce. The event brought together leaders in the aerospace and defense industry, as well as government and military officials. Six Maryland companies attending included: Newton LLC, TCOM, Maven Engineering Corp., WGS Systems, Phelps Industrial Products and BAON Enterprises.

### Expo Seguridad, Mexico City April 2018

A delegation of Maryland companies attended Expo Seguridad, the largest exhibition of security products and solutions in Latin America. This is the first time Commerce has exhibited at the Mexico City conference, promoting the state's technology and defense assets and assisting the delegation with expanding into the global marketplace. The six Maryland companies that traveled to Expo Seguridad were Acquired Data Solutions, Alertus Technologies, AnchorBridge Corp., APS Firehouse Alerting, RBtec Perimeter Security Systems, and Tecore



Networks. Several of the companies were awarded ExportMD grants from Maryland Commerce.

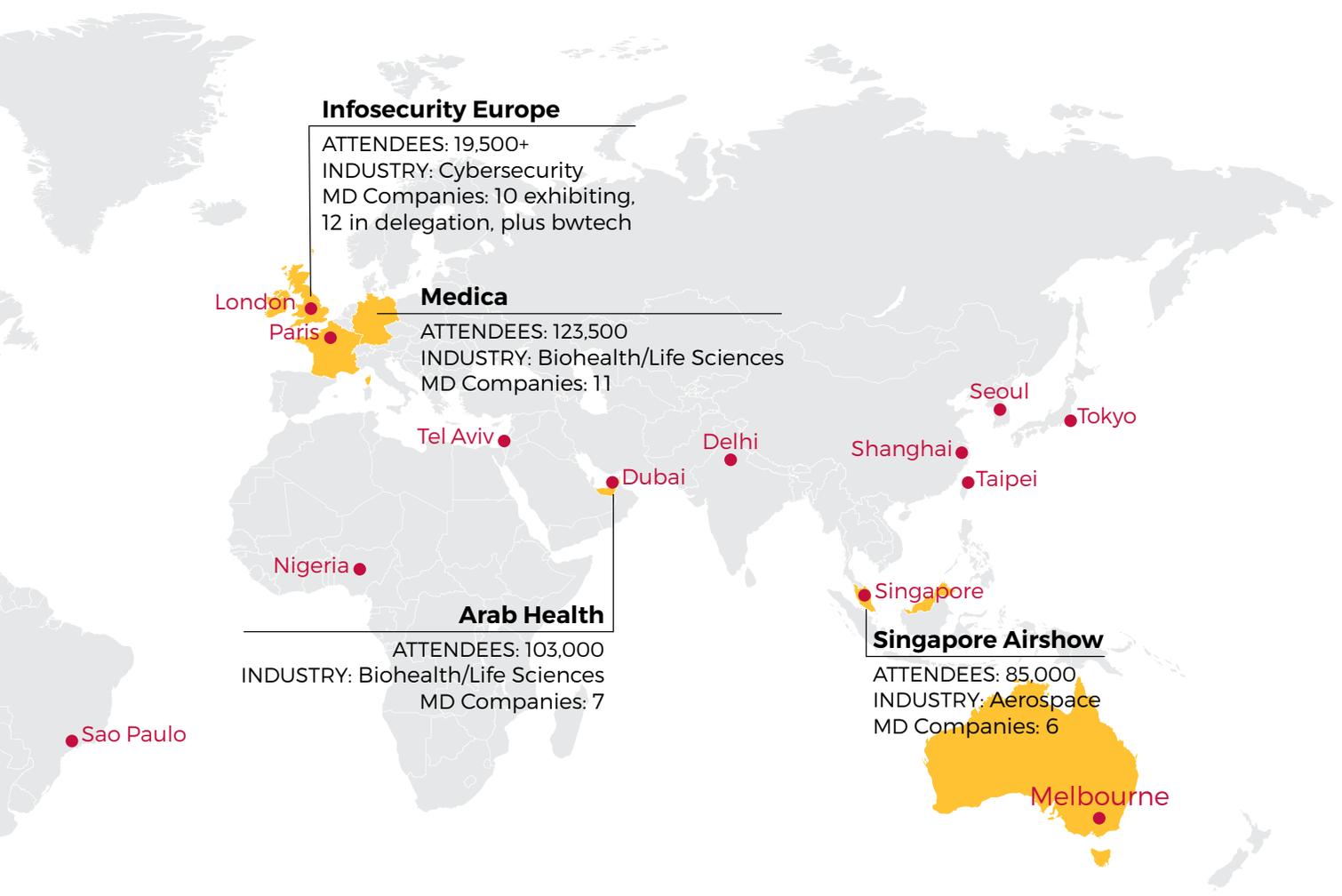
### Infosec Europe, London June 2018

Maryland Commerce's international team led a delegation to London to attend InfoSec Europe 2018. The conference, Europe's leading information security conference, attracts more than 19,500 attendees annually from across the globe. Maryland's delegation included bwtech@umbc, South River Technologies in Annapolis, Baltimore-based Phalanx Secure Solutions and Terbium Labs, AILogic in Bethesda, Untethered Labs in College Park, Bricata and Silent Circle in Columbia, Sepio Systems in Gaithersburg, Cybrary in Greenbelt, Glacier Security in Odenton, and Rockville-based Cryptonite and Inky.

**\$118M**  
in export sales  
FY 2018

**84**  
FlexEx services  
completed

**200**  
given counseling  
or assistance



**Arab Health, Dubai  
February 2018**

Maryland Commerce led a delegation of Maryland companies to Arab Health 2018, the world's second largest health care exhibition. This is the fifth year Commerce has exhibited at the Dubai trade show, promoting the state's health care assets and helping Maryland small and mid-sized companies in the delegation connect with new partners and customers. Nine Maryland companies from across the state traveled to the event, highlighting the diversity of the state's life sciences industry and entrepreneurs, with six out of the nine companies being female- or minority-owned businesses.

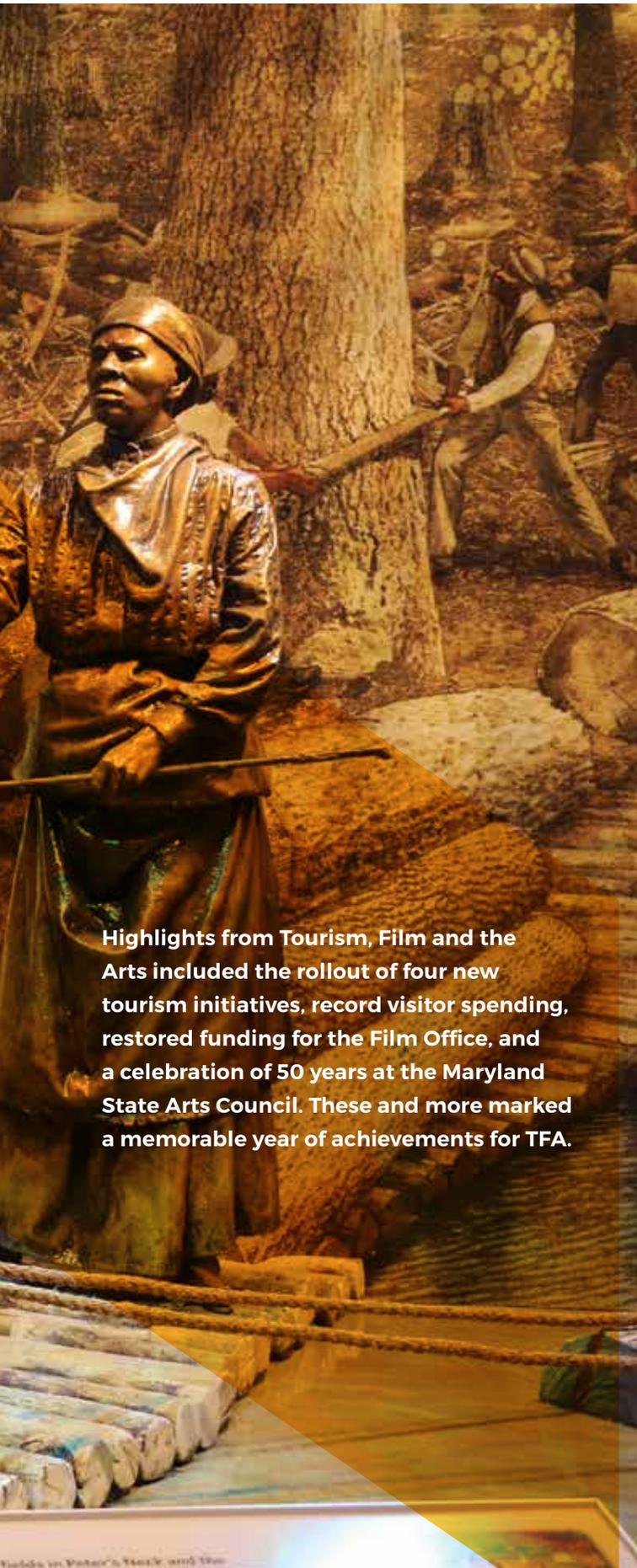
**“By participating in Arab Health, not only will we gain access to the Middle Eastern medical market, but the global market as well. Maryland Commerce has played a huge role in giving our small company a way to grow internationally as fast as possible.”**

Winston Frazer  
CEO  
Danae Prosthetics



"I used to sleep on the floor...  
and cry and cry...  
If I could only get home and  
get in my mother's bed..."

— Harriet Tubman, about 1901



**Highlights from Tourism, Film and the Arts included the rollout of four new tourism initiatives, record visitor spending, restored funding for the Film Office, and a celebration of 50 years at the Maryland State Arts Council. These and more marked a memorable year of achievements for TFA.**

## Tourism, Film and The Arts

### Promoting Film in Maryland

In May, Gov. Hogan signed Senate Bill 1154, which extended and enhanced the Film Production Activity Tax Credit program. The legislation allocated \$8 million in tax credits in FY 2019 and increases each year by \$3 million until it reaches \$20 million in FY 2023. The legislation also calls for 10% of the annual allocation to be set aside for smaller Maryland-based productions. Also, the groundbreaking Netflix series “House of Cards” completed shooting on its final season in the spring of 2018. During its six seasons of filming in Maryland, the critically acclaimed series brought in approximately \$685 million. In addition, “House of Cards” directly hired an average of 2,085 Marylanders per season, and directly purchased or rented goods/services from an average of 2,067 Maryland businesses per season.



*Photo credit: David Geisbrecht/Netflix*

### Awards Season

The Maryland Office of Tourism Development (OTD) earned a number of awards during FY 2018. In April, the Maryland Economic Development Association (MEDA) selected the Harriet Tubman Underground Railroad Experience to receive its Economic Development—Small Community Award. The MEDA award celebrates the people, projects and programs that are transforming lives by creating opportunities, inspiring innovation and enriching communities across the state. The National Association for Interpretation honored OTD (with its partners in Dorchester and Caroline counties) with its Digital Media Award for the Harriet Tubman Underground Railroad Byway audio tour. The Media Awards promote excellence in the delivery of natural, cultural and historical interpretive services. Also, at its annual Maryland Travel & Tourism

Summit, the Maryland Tourism Coalition selected Marci Ross, assistant director for tourism development, as its Tourism Person of the Year.

### **Maryland Welcomes the Nation**

Salisbury was selected to host the National Folk Festival again for three years, beginning in September 2018. Last year, the three-day festival brought more than 350 artists and more than 25 musical acts to seven stages in the downtown area, and attracted an estimated 63,000 spectators.

Baltimore welcomed more than 900 tour operators, group travel partners and business partners to the annual Student Youth & Travel Association (SYTA) conference. Activities included seminars, business appointments, Familiarization tours to local attractions, a golf tournament, and events at the UMBC Columbus Center, the National Aquarium, and Six Flags America. Attendance was the second-highest in the 22 years of SYTA national conferences.

### **New Tourism Products Go to Market**

In the spring of 2018, the Maryland Office of Tourism developed and introduced the Frederick Douglass Driving Tour, which leads travelers through sites related

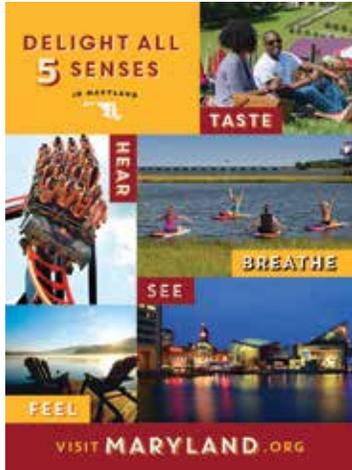
to the abolitionist in Baltimore, Annapolis, College Park and on the Eastern Shore. The office also helped roll out The Year of Frederick Douglass initiative, which was decreed by the governor in February. Other new attractions introduced this year included Maryland's Crab & Oyster Trail, which was introduced by the governor during a Canadian outreach trip in October; Maryland's Great Chesapeake Bay Loop, which helps visitors navigate the Bay region, along with its heritage, through routes on both land and water; and Maryland's inaugural Summer of Music, a varied collection of multiday music concerts and festivals around the state, and designed to encourage overnight stays.

### **A Winning Year for the Arts**

The Maryland State Arts Council celebrated its 50th anniversary with year-long programming and a capstone event held at The Walters Art Museum. In September 2017, the council named longtime arts educator and advocate Ken Skrzysz as its new executive director. And in January 2018, Gov. Hogan announced his FY 2019 budget, which included a record allocation of \$20.7 million for MSAC, which provides grants, technical assistance and other support services for the arts and artists.



## Economic Impact of Tourism



Through the Maryland Office of Tourism Development's defined strategic objectives—Maximizing Opportunities, Leveraging Partnerships, Market Expansion, and creating Transactionable Opportunities—visitor spending increased 2.1% to \$17.7 billion. Overnight lodging spending increased 2.5%, and state and local taxes generated through visitor spending amounted to \$2.3 billion. With its goal of market expansion, the OTD marketing department's two-year-long advertising reach into outer geographic markets began to pay dividends: targeted messaging to encourage overnight spending

resulted in visitation from New York up 105%; visitation from Norfolk up 5%; visitation from Pittsburgh up 4%; and visitation from Washington up 3%.



# Financials Fiscal Year 2018

## Commerce Actual Expenditures

Office of the Secretary (including Attorney General)	\$ 2,971,120
Office of Policy, Research, & Government Affairs	1,595,650
Biotechnology Investment Tax Credit Reserve Fund	12,000,000
Cybersecurity Investment Incentive Tax Credit	—
Office of International Investment & Trade	3,263,667
Division of Marketing & Communications	2,453,069
Maryland Marketing Partnership	1,000,000
Division of Administration & Technology	3,984,452
Office of Military & Federal Affairs	1,866,090
Division of Business & Industry Sector Development	
Operations	14,004,382
Financing and Training	43,898,055
Division of Tourism, Film & the Arts	
Office of the Assistant Secretary	738,480
Office of Tourism Development	3,582,558
Maryland Tourism Development Board	8,549,987
Maryland State Arts Council	21,031,545
Preservation of Cultural Arts Program	650,000
Film Production Rebate Program	5,000,000
<b>TOTAL</b>	<b>\$126,589,055</b>

## Contract Awards and Procurement Activity

### Contract Awards Minority Business Enterprises (MBE)\*

Total value of contracts awarded to MBEs	\$103,644
Total value of all contracts awarded	\$8,461,430
MBE awards as percent of all contract awards	1.2%

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

Total value of contracts awarded to SBR contractors	\$6,616,851
Total procurement payments	\$8,612,919
Payments to SBR contractors as percent of all payments	76.8%

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

### One Maryland Tax Credit

- 6 certificates issued
- \$22.9 million in project/startup costs
- 238 jobs created
- \$9.7 million payroll

### Research & Development Tax Credit (TY16)

- 269 businesses certified
- \$1.65 billion in R&D expenses
- \$12 million in credits awarded

### Job Creation Tax Credit

- 18 certificates issued
- 2,384 jobs created
- \$93.6 million payroll

### Enterprise Zone Program

- 37 Enterprise Zones as of June 15, 2018
- 685 businesses to receive real property tax credits
- \$60.24 million in real property tax credits awarded
- \$1,236,092 in income credits claimed in TY2015 (incomplete data)

### Employer Security Clearance Costs Tax Credit (TY16)

- 64 businesses certified
- \$13.74 million in employer security clearance costs
- \$2 million in credits awarded

### Wineries and Vineyards Tax Credit (TY16)

- 38 businesses certified
- \$1.8 million in wineries and vineyards capital expenditures
- \$449,797 in credits awarded

\*Qualified Maryland Biotechnology Companies

\*\*Qualified Maryland Cybersecurity Companies

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

## Financial Assistance Projects Approved FY18

Approved	Number of Projects	Loan/Grant Amount	Loan Guarantee Amount	Total Project Costs	Jobs Created	Jobs Retained	Projected Trainees
<b>MEDAAF</b>	32	\$22,456,167	\$0	\$419,036,000	2,512	4,852	N/A
<b>MIDFA*</b>	1	\$4,200,000	\$1,350,300	\$4,200,000	—	85	N/A
<b>MSBDFA*</b>	39	\$11,697,850	\$862,860	\$14,667,200	259	270	N/A
<b>MPSDVL P</b>	5	\$250,000	\$0	\$404,000	61	13	N/A
<b>MEAF</b>	0	\$0	\$0	\$0	—	—	N/A
<b>Sunny Day</b>	0	\$0	\$0	\$0	—	—	N/A
<b>PWQ</b>	34	\$910,497	\$0	\$1,714,790	15	1,355	1,210
<b>Total Approved</b>	<b>111</b>	<b>\$39,514,514</b>	<b>\$2,213,160</b>	<b>\$440,021,120</b>	<b>2,847</b>	<b>6,575</b>	<b>1,210</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

**MPVSBLP** – Military Personnel and Veteran-Owned Small Business Loan Program

**MEAF** – Maryland Economic Adjustment Fund

## Maryland State Arts Council Grants FY18

Grants for Organizations:	\$13,579,592
Community Arts Development:	\$3,104,660
Arts in Education:	\$743,550
Individual Artist Awards:	\$225,000
Arts Resource Center:	\$33,600
Maryland Traditions:	\$45,000
Public Art:	\$81,886
Presenting and Touring:	\$77,538
Arts & Entertainment Technical Assistance:	\$20,241
Administration:	\$2,380,871
<b>Total Grants</b>	<b>\$20,291,938</b>

## Up Next in 2019



### **Industrial Revolution Comes to Harford County**

The Advanced Manufacturing and Materials Processes Center (AMMP) is coming to Harford County. Established by the National Center for Manufacturing Sciences (NCMS), the new innovation center will focus on developing next-generation industrial additive manufacturing, materials and processes. The facility will house a collaboration of leading engineers and the world's most powerful production technology

working on scientific breakthroughs in metallurgy and plastics, as well as the launch of new factory machinery that will transform the way U.S. producers make aircraft, automobiles, munitions, medical devices and other products. The project will retrofit the former HEAT/University Center in Aberdeen, where 50 to 100 students and faculty will engage annually to perform joint research. Incentives from the state and county are being finalized based on the developing scope of work.



“As a proven leader in advanced technology innovation development, NCMS has the unique ability to engage and work with a wide variety of partners while finding the critical infrastructure, talent and investment for successful program and project management. We believe Aberdeen, Maryland, is the place where these vital innovation ingredients come together and are key to the new industrial revolution.”

Rick Jarman  
President  
NCMS



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**Larry Hogan, Governor**

**Boyd Rutherford, Lt. Governor**

