MARYLAND INDUSTRIAL AND COMMERCIAL REDEVELOPMENT FUND (MICRF)

K. Rudolph Schafert, *Director*

217 E. Redwood St.
Baltimore, MD 21202 333-4304

The Maryland Industrial and Commercial Redevelopment Fund (MICRF) began operations in 1980. To provide supplemental financing that supports local commercial or industrial redevelopment efforts, the Fund administers State loans, grants, and loan guarantees to local governments.

Fund money is used to promote private investment in industrial and commercial redevelopment projects that retain jobs, create new jobs, and increase tax revenues. MICRF funds may be expended directly by a local jurisdiction, or passed through to a third party committed to carrying out the project (Code 1957, Art. 83A, secs. 5-501 through 5-507).

MARYLAND INDUSTRIAL LAND ACT (MILA) PROGRAM

K. Rudolph Schafert, *Director*

217 E. Redwood St.
Baltimore, MD 21202 333-4304

The Maryland Industrial Land Act (MILA) Program began in 1972 (Chapter 360, Acts of 1972). The intent of the Program is to ensure appropriate sites for industry throughout the State. The Program may acquire and preserve such sites for the State in partnership with the local government (Code 1957, Art. 83A, secs. 5-401 through 5-414).

MARYLAND INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY (MIDFA)

Chairperson: Joseph Haskins, Jr., 1989
Vice-Chairperson: William J. Detweiler, 1989

Appointed by Secretary of Economic & Employment Development with Governor's approval: Thomasine M. Tarsell, 1991; Bernard Koman, 1992; Thomas H. Mullaney, 1992; William F. Brooks, Jr., 1993; *one vacancy*.

Ex officio: J. Randall Evans, *Secretary of Economic & Employment Development*; Louis L. Goldstein, *Comptroller of the Treasury*.

Benjamin L. Hackerman, *Executive Director & Secretary*

217 E. Redwood St.
Baltimore, MD 21202 333-4263

The Maryland Industrial Development Financing Authority (MIDFA) was created in 1965 (Chapter 714, Acts of 1965). The Authority provides financial assistance to enterprises seeking to locate or expand operations in Maryland.

MIDFA operates four loan programs. Under its Traditional and tax-exempt Umbrella Programs, manufacturing companies can finance land acquisition and the purchase of all types of buildings and equipment. The Bond Insurance Fund is used as reserves for financial assistance provided under the Traditional and Umbrella Programs.

Under its Conventional Loan Program, MIDFA insures many types of conventional loans made by financial institutions. The Authorized Purpose Fund is used as reserves for loans and other obligations insured under the Conventional Loan Program.

MIDFA also may issue bonds under and in accordance with the Maryland Economic Development Revenue Bond Act.

Through the Traditional Program and its Bond Insurance Fund, MIDFA insures all or any part of the payments of principal and interest under tax-exempt economic development revenue bonds issued by Maryland counties, municipalities, industrial development authorities, and other Maryland public bodies to finance a specific facility for a manufacturing company. Revenue bonds are exempt from federal and Maryland income tax (but not from real estate or personal property taxes). Therefore, interest rates on these bonds are generally lower than interest rates on conventional loans.

Under its Umbrella Program, MIDFA may issue, sell, and insure revenue bonds to provide long-term, fixed-rate, tax-exempt financing to smaller companies and to provide access to regional and national capital markets. By pooling many small loans, MIDFA sells its own "umbrella" bonds in the public bond market. Sale proceeds from these bonds are made available as loans enabling individual companies to finance specific facilities.

The Traditional and Umbrella Programs benefit companies by providing loans for a higher percentage of the costs of the facility, at a lower interest rate, and for a longer term than conventional financing.

Under the Conventional Loan Program or the Export Financing Program, MIDFA may insure a loan or other obligation; insure the payment of premiums or fees necessary to obtain insurance, guarantees, or other credit support from a third party; or pay such premiums or fees. Insurance provided by the Authority may not exceed the lesser of either 80 percent (or 90 percent in the case of export financing) of the sum of the principal amount of the loan or other obligations plus accrued interest thereon, or $1 million per transaction.