

MARYLAND

Department of Business & Economic Development

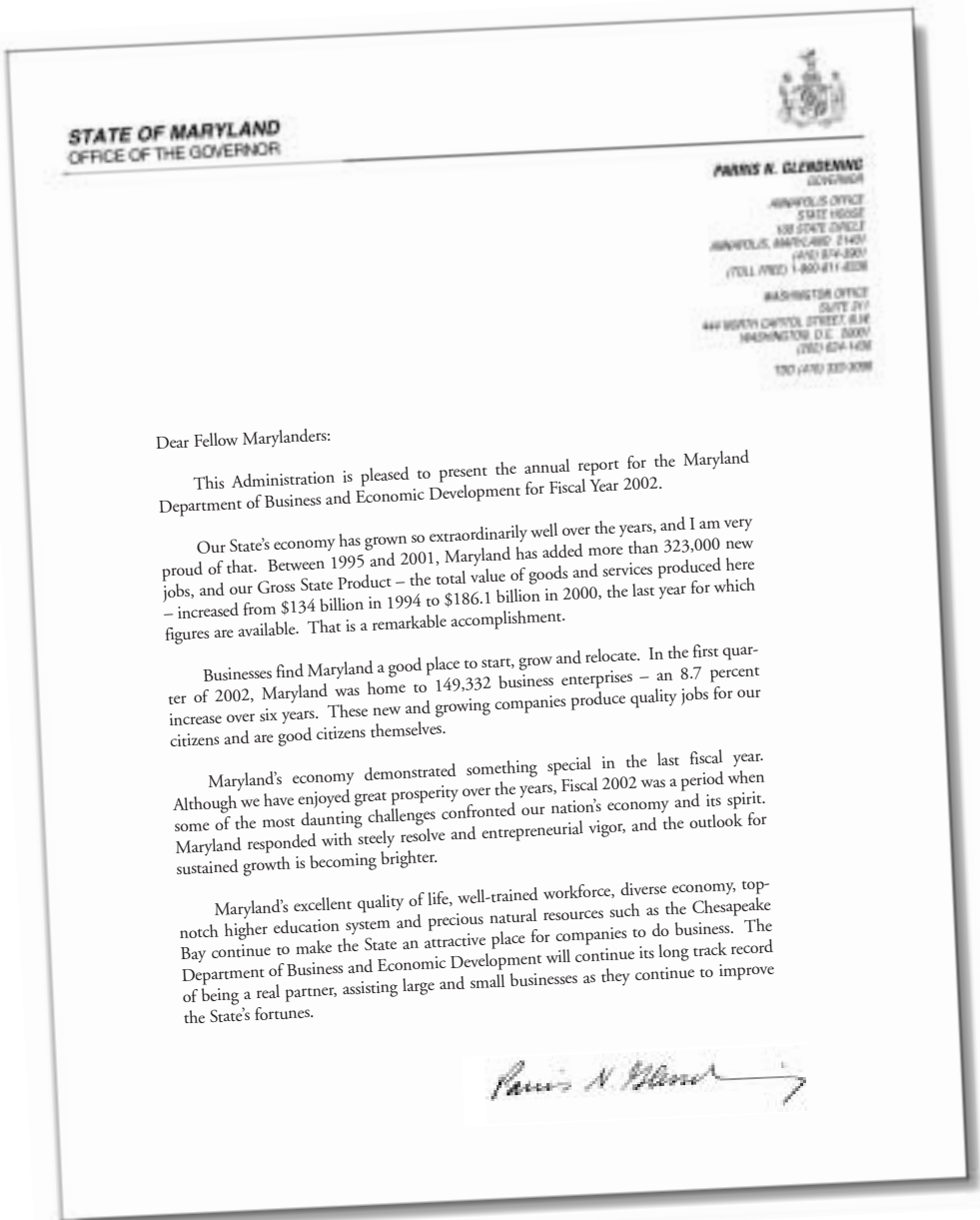
Annual Report 2002







Parris N. Glendening, Governor





David S. Iannucci, Secretary



Baris N. Genslering
Governor
Kathleen Kennedy Townsend
Lt. Governor
David S. Iannucci
Secretary
James H. McLean
Deputy Secretary

Dear Fellow Marylanders:

The Maryland economy showed its strength and resilience in the last Fiscal Year. Indeed, Maryland was tested like never before. The nation was battered by a slumping economy as we entered FY 2002, which covered the period from July 1, 2001 to June 30, 2002. Maryland's economy had survived the national economic downturn until the tragedy of September 11 – just two months into the fiscal year – reversing the State's fortunes.

By the end of the Fiscal Year, however, Maryland's economy was showing strength and stability. Job growth outpaced the national rate, Maryland's poverty rate was the nation's lowest and its household income was the nation's highest. Surveys by the Maryland Department of Business and Economic Development (DBED) and the Maryland Department of Labor, Licensing and Regulation showed that two sectors – the tourism and construction industries – were expecting to hire more workers. Our higher education system and professional training programs are producing a workforce that is stronger than ever.

Meanwhile, DBED has focused constantly on retaining businesses for Maryland's diversified economy. The Department has successfully kept such major employers as Volvo/Mack Trucks, General Motors, MedImmune and Northrop Grumman in Maryland. We have deployed resources to assist small businesses – which are big players in the State's economy and key employers. The Department honored some of these small enterprises in FY 2002 by presenting its TechnoRising Star Awards for successful minority and women-owned companies that contribute to technology advancement in Maryland.

While helping to start, retain and grow companies, we have courted businesses, with success, from outside our State and national borders. Among them, Neschen AG, a Germany-based, world-leading manufacture of self-adhesive products and other materials, established its North American headquarters in Howard County. Swedish furniture maker IKEA agreed to build its East Coast Distribution Center in Cecil County. And Allstate Insurance Company retained 469 jobs and will create 156 others when the nation's largest publicly held insurer consolidated and expanded its Maryland and Northern Virginia offices into three Maryland locations.

As the Fiscal Year concludes, it is clear that business development is rebounding in Maryland. The State's job growth rate continued to exceed the national rate. While challenges remain, the State's fundamental strength, economic diversity, quality education, superior workforce and cutting-edge technology places Maryland in position to lead a new cycle of economic growth.

Office of the Secretary, 227 East Baltimore Street, Baltimore, Maryland 21202 Phone: 410-327-4700 Fax: 410-327-6226 TDD/Relay: 410-327-4700

To Our Citizens



About Us

Our *mission*

The mission of the Maryland Department of Business and Economic Development is to stimulate private investment, create jobs, attract new businesses to the State, encourage the expansion and retention of existing companies, and provide businesses in Maryland with workforce training and financial assistance. The Department publicizes Maryland's economic advantages and markets local products and services at home and abroad to spur economic development, international trade and tourism. As part of its promotional mission, the Department also supports the arts, film production, sports and other special events. Primary divisions include Business Development, Financing, Regional Development and Tourism, Film and the Arts. The Office of Administration and Information Technology provides administrative and support services.

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Our *results*

	FY 2002 Actual
New Jobs (projected, with approved projects)	14,477
Retained Jobs (projected, with approved projects)	20,830
Total	35,307
Investment Fostered by DBED Programs	\$545.5 million

How *we help*

When a Maryland company, large or small, contacts the Department of Business and Economic Development for advice on a challenge it needs to meet, the combined resources of the Department and other State agencies are mobilized to help craft a solution for its unique situation. On the pages that follow, six stories detail successes in five different areas — Manufacturing, Biotechnology, Homeland Security, Small Business Assistance, Commercial Real Estate and Minority Business Enterprise.

A vertical photograph of a street scene. In the foreground, a black street lamp stands on the left. To the right, a checkered flag is visible, possibly on a building or a structure. The background shows a street with buildings and a car, all in a slightly faded, artistic style.

About Us



Kent Island Manufacturing

Invention of the Century?

Necessity is the mother of invention, but it was a daughter who created a new device that could become as vital and ubiquitous as umbrellas and Frisbees at beaches.

The device, designed and built by Kimberly Matthews of Kent Island, makes it a breeze to tote beach chairs, coolers and umbrellas in one compressed bundle while leaving the carrier's hands free.

Matthews struck upon the idea on September 4, 2000 after watching her father struggle with a cumbersome assortment of beach essentials during a family vacation.

Later that night, the good daughter, looking to make her dad's life easier, sketched a design on a small notepad for a triangular apparatus that her father could use on future trips to the beach. A padded strap would go over the shoulder, and three straps with plastic clasps hanging from the rigid bottom support would grip the chairs, umbrella and perhaps a small cooler.

Matthews now reigns over the growing Kent Island Manufacturing Inc. (KIMI). From the Chesapeake Bay Business Park in Stevensville, KIMI's six employees assemble, package and ship the Chairlift to an expanding list of customers.

This did not happen overnight, although it happened quickly. Matthews, a creative, energetic and cheerful woman, developed a solid plan, used her business acumen and obtained assistance from the Maryland Department of Business and Economic Development and a Queen Anne's County business development manager.

Matthews secured a \$25,000 loan from DBED's Maryland Competitive Advantage Financing Fund, which provides loans and interest subsidies to small businesses that are unable to obtain traditional financing.

"The key is to ask," Matthews says. "Most people don't take the effort to find out what financial assistance programs are out there. In our case, the loan was needed, and it has been helpful to get it."

Until receiving the loan, the company operated out of the Kent Island home

that Matthews shares with her husband Ed and their two young daughters, ages 2 and 4.

The microbusiness needed additional space to produce a greater quantity of Chairlifts while maintaining the quality that Matthews said is key to her success.

The company's employees perform all the assembly work and manufacture the parts. (Maryland companies make most of the parts not manufactured on site, the owner says proudly.) Matthews wants to increase the workforce to 38 employees in 2003.

"We're creating jobs in Maryland, and we're helping people at the same time," she says. "I'm very excited about that."

And the company makes products that bring great customer satisfaction. Matthews reports that the company sold more than 600 Chairlifts on QVC and not a single one was returned.

When Matthews was featured on a Baltimore television program, one of the show's hosts called the Chairlift the best invention of the 21st century.

KIMI now makes its product in purple and camouflage, in addition to the original teal, the owner's favorite. One satisfied Chairlift owner working at a roadside coffee and sandwich stand on Kent Island was glad to hear about the camouflage because he uses his Chairlift to carry fishing equipment. He was satisfied with the product and says he would be even happier with the new camouflage pattern.

Matthews said other customers have reported to her that the product can be used for shopping and other purposes. The possibilities seem as boundless as KIMI's future.

Next year, the Chairlift will be featured on the Home Shopping Network, and, Matthews is negotiating to get the product into major department stores. Who knows? The summer of 2003 could become the summer of the Chairlift.



*Kimberly Matthews
Kent Island Manufacturing - The Chairlift*

Mack Trucks

An Economic Engine in Western Maryland

AB Volvo had a number of options when deciding where to build the next generation of heavy-duty Mack Truck and Volvo Truck engines.

It literally could have gone anywhere in the world.

But a move would have created a deep void in Maryland. Mack Trucks had become a familiar part of Western Maryland's landscape. The plant has operated in Hagerstown since 1961, giving the region a genuine economic engine and partial ownership of the name that conjures images of toughness, durability and power.

The value to Hagerstown is incalculable: It's difficult to put a price on a company that has made some of the most famous and powerful heavy-duty trucks and engines since the early 1900s, when innovators John Mack and his brothers delivered the world's first bus to Brooklyn's Prospect Park.

And the company is still going strong. The Hagerstown Powertrain Operations built 30,592 engines and 5,669 transmissions in 2001. The plant has received the U.S. Senate Productivity Award for Maryland, and earned the ISO 9002 international rating.

So it was important to retain the company in Maryland in 2002 – especially when business retention was an important goal of the Maryland Department of Business and Economic Development in the last fiscal year.

Roger Johnston, the plant manager of the Hagerstown Powertrain Operations, said negotiations between Volvo and top DBED officials were productive.

"We were able to have a very open dialogue with Secretary [David S.] Iannucci's office," Johnston recalls. "And Volvo was interested in finding a long-term solution that was most suitable for its needs.

"It was refreshing to sit at the table and have that kind of dialogue. It's a delicate balance. Companies like to limit their capital outlay as they move forward. At the same time, it's not beneficial to put the State in a position where it's overextended."



*Roger Johnston - Plant Manager
Mack Trucks Powertrain*

What resulted was the ultimate win-win.

Volvo decided to keep the company in Maryland, committing to invest \$100 million to upgrade its 1.5 million-square-foot plant, where Mack Powertrain enjoys the benefits of a hard-working labor force, proximity to close business partners, a first-class highway system, cooperation with local government and an educational system that provides quality training.

Maryland assisted the company with a package of loans and grants that will help the plant continue producing some of the world's most famous machinery.

After the deal was reached, Iannucci said: "This is part of DBED's retention strategy that is focused on preserving existing Maryland jobs while we go about the business of attracting new jobs to the State."

Johnston said the move was good news for the company's customers, who prefer stability to relocation.

"Customers find comfort in continuity," he said. "They didn't just want Powertrain in North America. They didn't just want it on the East Coast. They wanted Powertrain in Hagerstown, Maryland."

Johnston was able to think of a number of other reasons to stay, even in a time when many manufacturers pursue reduced labor costs abroad.

Chief among the reason, he said, was a highly skilled workforce, including individuals who have been well-trained by the Washington County school system's vocational educational program and the Hagerstown Community College, which produce much of the company's labor force.

"The educational system recognizes that a vocational career in manufacturing can still be considered a very rewarding career," he said. "In Hagerstown, we have ready access to the skills and experience we need. We have a very good knowledge base in this region."

Location is also important. The Hagerstown Powertrain Operations are located near the nexus of Interstate 70 and Interstate 81 in western Maryland, 10 miles from Pennsylvania's Landis Machine, the United States' oldest manufacturer of precision camshaft and crankshaft grinding equipment in Pennsylvania, and close to the West Virginia border.

"Being located in this tri-state region allows people to live where they want to live and have ready access to work," Johnston said. "So it's really a quality of life issue."

.And a mutually beneficial arrangement.





MedImmune

A National Technology Epicenter

Melvin D. Booth knew that MedImmune Inc. had great potential when he agreed to run the Gaithersburg biotechnology company.

“I saw a company that was generating \$100 million in annual revenue, and I knew that I could help it become a \$1 billion company,” Booth said with a smile while driving the short distance from MedImmune’s present offices in a Gaithersburg industrial park to its future – a 22-acre campus about a mile away.

Four years later, it is clear that Booth, MedImmune’s president and chief operating officer, was right on the money.

In 2002, Mel Booth and MedImmune were well on their way toward that billion-dollar goal. In 2001, the company’s revenues rose to \$619 million.

To accommodate its growth, the surging 14-year-old company is constructing an \$85 million headquarters with 218,000 square feet. The building – designed by Hellmuth, Obata and Kassabaum Inc. (the HOK architecture firm) is Phase I of a three-stage process and is scheduled for completion in Fall 2003.

The company financed the building’s construction with conditional grants of \$2.5 million from the Maryland Department of Business and Economic Development’s Sunny Day Fund and \$500,000 from Montgomery County government.

MedImmune finalized plans for the new headquarters in April 2002, sealing a deal that retains the company – a chief focus of DBED Secretary David S. Iannucci – to benefit Maryland’s economy for years to come.

Maryland was a good choice for many reasons, chief among them the all-important location, location, location in Washington’s Maryland suburbs, keeping the firm in one of the country’s biggest and best regions for technological growth.

In Gaithersburg, the company is close to federal agencies such as the U.S. Food and Drug Administration and National Institutes of Health, and it was in the same orbit as top-notch research universities and other surging biotechnology companies.

Other benefits are cooperative State and local governments, a well-trained workforce and a place where employees enjoy a high quality of life.



(Left) Ram

Booth had reasons to be optimistic about MedImmune when he resigned as president of Human Genome Sciences in 1998 to become MedImmune's president and chief operating officer. The company already was an upwardly mobile bioscience firm, and its most promising product (Synagis, which prevents lower respiratory tract disease in children) had just gained FDA approval.

With the company's continuing expansion under its chairman, Wayne T. Hockmeyer, its ultimate goal of building 750,000 square feet of administrative and research space at the new site appears to be a matter of when, not if.

As a fully integrated company, MedImmune manages its products from discovery through development, manufacturing and marketing.

The firm manufactures its products in Frederick and also has operations in Philadelphia, California, the United Kingdom and the Netherlands. Worldwide, the firm has 1,600 employees – about 850 at its Maryland operations.

With its expansion, the company needed space to consolidate administrative and research facilities. Booth said the firm settled on Gaithersburg, about a mile away from its current headquarters, after exploring 20 other sites, including Virginia and elsewhere in Maryland. The firm needed enough land for a real campus, flexibility to grow and a location near key universities like Johns Hopkins University and the University of Maryland, College Park.

Booth and Randall M. Turner, MedImmune's vice president for engineering and facilities, said the city of Gaithersburg, Montgomery County government and the State of Maryland worked with them as they designed an attractive, yet functional building for 720 employees.

“Getting everybody together under one location was a big objective of ours,” Turner said, adding that combining employees and providing for more inter-office interaction would spark greater synergy among its creative staff.

Synergy also is key to the success of Maryland's technology community, which, like MedImmune, is quickly maturing and showing promise. MedImmune's growth also shows the importance of maintaining good business relationships between private enterprise and government to help companies grow and provide good jobs for citizens.



*Left: Randall M. Turner - Vice President of Engineering and Facilities
(Right) Melvin D. Booth - President and CEO*

Biotechnology

Montgomery Park

Restoring Life and Jobs to Old Building

For 17 years, the former Montgomery Ward catalog warehouse sat vacant, abandoned and forgotten – an eyesore that seemed doomed for the wrecking ball.

In 2002, however, the venerable building sprang back to life in its second incarnation: a first-class office building that will become the most spacious in Baltimore when its 1.3 million square feet are filled to capacity.

The building was resuscitated by a developer's vision and a coherent public-private partnership that appreciated the value of the structure and its potential economic impact in Baltimore.

"We realized how sensational this building could be if we were to convert it into office space," said Sam Himmelrich, who is developing the project over 12 years with partner David F. Tufaro.

Breathing new life into buildings was nothing new for Himmelrich, who went into business 15 years ago to restore industrial structures in Baltimore. Several of his projects are doing brisk business in the city. But Montgomery Park was, by far, the biggest effort.

The building is 2 1/2 times larger than the B&O warehouse, which serves as a backdrop to Oriole Park at Camden Yards. The Montgomery Park Business Center eventually will contain 5,000 employees, bringing upscale, economic vitality to a site that once housed Montgomery Ward's famous catalog business and to a community that had to tolerate a white elephant for years.

When the building was erected in 1925, it served as an important employer and economic presence in Baltimore's Carroll Park section. It was a major employer during the Great Depression. But its doors were shuttered in 1985, and just about everyone had given up on it.

Then Himmelrich and Tufaro came along and began to unleash the mammoth structure's great potential.



“First of all, it’s a fabulous location,” Himmelrich said. “Second, it’s an advantage to be in the wonderful city of Baltimore and the wonderful State of Maryland – and I mean that, because Baltimore and Maryland have a number of great attributes.”

The building is close to Interstate 95, just south of downtown. Himmelrich said that location was an advantage because the site is closer to Washington, making it easy for commuters in the densely populated Baltimore-Washington corridor to reach.

Another attraction, the developer said, was the solid construction and configuration of the 77-year-old building. He knew that it was ideal for offices.

Finally, the site had the best of both worlds – a city address and an important suburban amenity.

“If you look at the growth of office space throughout the country, most of it – not all – occurs in the suburbs. Why is that?” he asked. “You can park for free.

“Our mission here was to give large users an alternative to traditional suburban office space. This building has better space and less expensive space.”

Himmelrich’s first step toward making the project happen was to meet with top Maryland Department of Business and Economic Development officials. He said the meeting encouraged him. “It was very clear that this project was very important to the State and that they were going to be helpful if they could,” he said.

Before the State made commitments to help, he said, the U.S. Department of Housing and Urban Development came through with financial support. The site is within a federal Empowerment Zone, which qualified the project for other assistance.

DBED provided a \$2 million Maryland Economic Development Assistance Authority and Fund loan, which is for businesses located within priority funding areas and eligible industry sectors.

Filling the center’s 1.3 million square feet of space will take time, but the project is progressing well toward its 12-year goal of housing 5,000 workers and restoring economic vitality to a building and a community that got the boost they needed for a fresh, new start.



Smiths Detection-Edgewood

Guarding the Nation Against Threats

When Richard R. Thomas became president of Smiths Detection-Edgewood, the company's operations were bloated and inefficient. The business was in jeopardy of losing its place as an important defense contractor. Thomas knew the company could do better. Much better.

"We had reached the desperate point in our history," said Thomas. "We had to do something different."

That something happened when Thomas received a call in 1998 from Roger Satin of DBED, who was helping to launch a new, nonprofit initiative that would make Maryland businesses more competitive in the global marketplace.

Thomas and Fred Whiton, the company's vice president of operations, embraced the idea, and Smiths Detection-Edgewood became a charter member of the World Class Manufacturing Consortium. Membership involved a year-long commitment to give companies an opportunity to identify better, more efficient processes to operate and make their products.

"The consortium realized that small and medium-sized companies needed to be more competitive," Thomas said. "They have tried to create a climate for business improvement. And that's at the basic level of training, skills, and other improvements."

The result has been stunning. In four years, the company has become leaner and beefier at the same time. It has increased its workforce from 80 to 120 employees, doubled sales and spun operating losses into profits. The company expects to boost its workforce by another 30 employees in 2003.

Meanwhile, the company makes amazing cutting-edge technology that it markets for civilian use and the military. Its customers range from local fire departments to the Pentagon. One of its most popular products is its portable APD 2000, a handheld device that looks like a drill but detects a number of chemical warfare agents, pepper spray and mace. It is a vital instrument in the homeland security era.

Smiths Detection-Edgewood has a contract with Northrop Grumman Corp. to develop anthrax-detection equipment for post offices and hopes to win some work from Canada.

At a time when homeland security has become such an important challenge, Maryland is proud to have companies like Smiths Detection-Edgewood step forward to provide technology that helps the world guard against threats.

The company is a subsidiary of London-based Smiths Aerospace, but for more than a century has operated independently and as part of companies such as AlliedSignal and Bendix. Founded by French-born scientist Julian Friez to make meteorological equipment, Smiths Detection-Edgewood has become a leader in warfare agent detection while continuing Friez' proud legacy of making weather instruments.

The work takes place in a 90,000-square-foot complex off Interstate 95 that combines office space and manufacturing. Thomas occupies space in a modest



*(Left) Fred Whiton - Vice President of Engineering and Operations
(Right) Richard R. Thomas - President of Smiths, displaying the APD 2000*

and sparsely furnished office that is no bigger than the working space of many other employees. The highly interactive, accessible design came from studying other lean operations and the desire to create an open, diverse and collaborative team environment.

The company is proud of its association with the World Class Manufacturing Consortium and foresees a bright future on the frontline of homeland security.

"We've grown, we're much more competitive, we're much more profitable through this process," Thomas said. "As anyone will tell you, it's a journey to reach world class status. We're not there yet, but we're well on our way."

Homeland Security

Booth Management

Minority Business Enterprise On The Rise

One year ago, Booth Management and Consulting, LLC owners, Robin and Phil Booth were selected by the Department of Business and Economic Development (DBED) to administer the Strategic Assistance Consulting Fund (SACF). Their mission was to help DBED expand the quality and capacity of services offered to Maryland's small and minority businesses and micro-enterprises, and to assist in building on the basic services offered through the Maryland Small Business Development Centers.

The relationship Booth has with DBED has been advantageous. Being able to administer the SACF has allowed Booth to build upon existing services and have direct access to agencies such as the U.S. Small Business Administration. This gateway to information provides the firm with resources for training programs and funding sources for their clients and their company. Booth's goal is to further enhance the dissemination of information and resources available to help their clients increase their growth, longevity and profitability. As of November 2002, Booth has assisted 150 small businesses.

Along with the distribution of the SACF, Booth impresses upon their clients the need for marketing. For small businesses, devising a strategic marketing plan is essential to the possibility of expansion. "Marketing is a necessity because it helps to maintain the success and growth of the business. Lots of businesses need the extra catalyst to help maintain growth and the SACF, along with a good marketing plan is a winning combination," says Robin Booth.

Future plans for Booth Management include diversifying. She and her husband will continue to pursue more federal contracts while still focusing on small businesses. They see profit in bidding and setting up strategic relationships with other accounting firms, using their 8A status to team up with prime contractors to get more and larger contracts. They have received their GSA and 8A Certification, and the relationship with DBED has resulted in referrals for other government experience. This has caused the two partners to be more active in pursuing and gaining city, state and federal and additional DBED contracts.

Although they are constantly re-vamping and changing their goals, the Booths never lose sight of their original vision to be the "external management think-

tank” for new and existing small businesses. “Continually re-inventing yourself, that’s what it means to be a small business,” says Robin Booth, “and if you stay focused, the potential for economic growth for small businesses in Maryland is phenomenal.” Thanks to Booth Management’s relationship with the Department of Business and Economic Development (DBED), not only is her company expanding, but it is working successfully to help others grow as well.



Robin L. Booth - Founding Partner of Booth Management & Consulting LLC



Who We Are

The Divisions and Offices within DBED work in concert with one another to provide a full range of services to the State's business community. Whether it is a large, international corporation looking for a site in Maryland or a small, minority-owned business seeking opportunities for expansion, DBED stands ready to direct the company to the resources it needs. On the following pages are brief descriptions of the various components that, together, are the Maryland Department of Business and Economic Development.

Maryland Department of Business & Economic Development

217 East Redwood Street

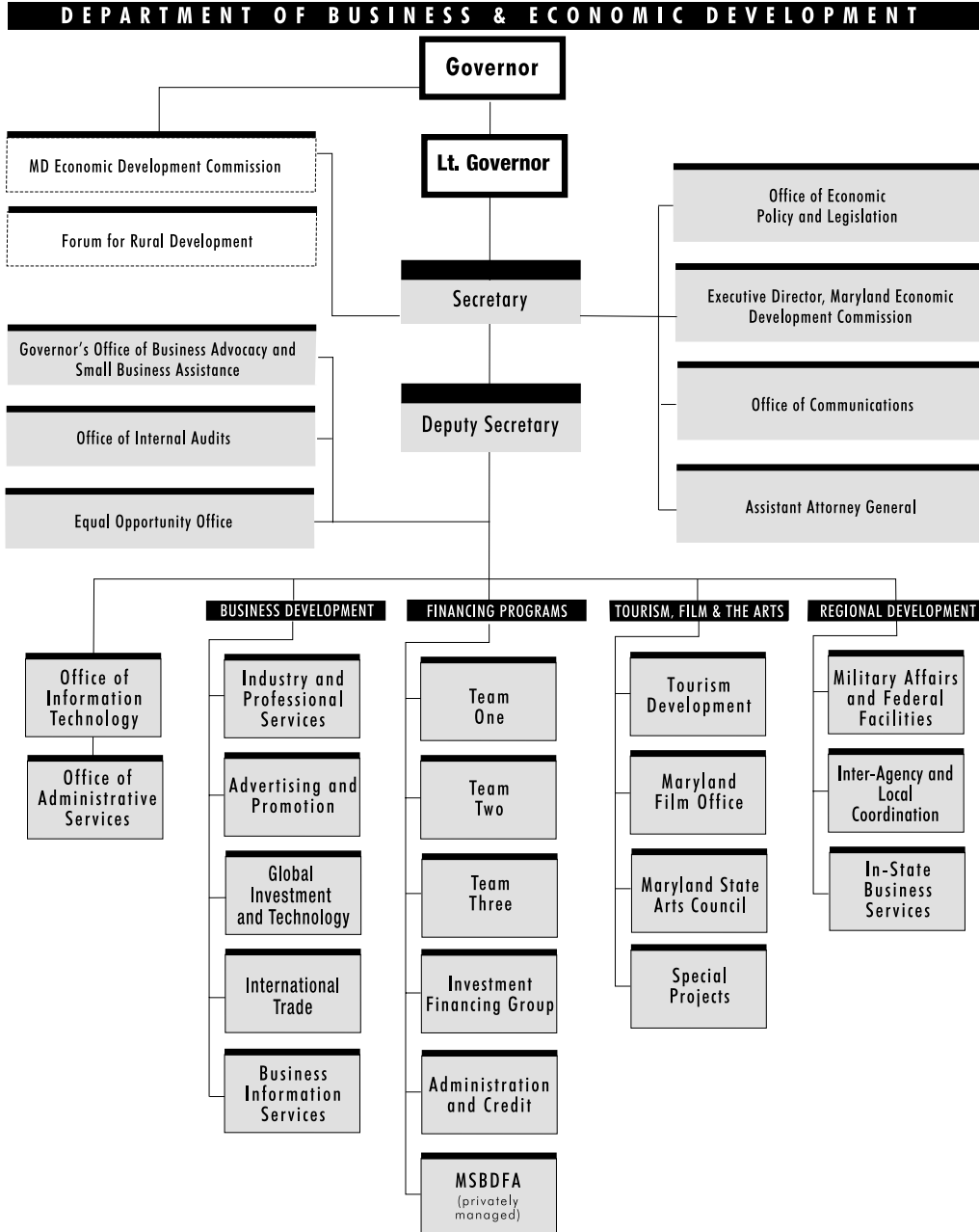
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Organization Chart



Office of the Secretary

The Office of the Secretary directs activities of the Department through oversight and coordination. The Office also maintains working relationships with local, state and federal agencies, county and municipal governments, businesses and business organizations.

Office of the Attorney General

This office provides legal counsel and advice to the Secretary in negotiations, administrative proceedings and litigation and assists Department staff in drafting financial transaction documents, legislation and regulations.

Office of Communications

This office is a full-service public relations and business communications source. The office serves as strategic communications counsel to the Secretary and the Department staff and provides coordination of communications activities of the Governor's Office, other State agencies and partnership organizations. The Department's comprehensive public relations and business communications strategy is planned and implemented through proactive media relations, management and marketing of the department's Web site, development of professional business publications, speeches and business promotions. This office is closely linked to the Division of Business Development's and Office of Tourism's advertising and promotions efforts to ensure consistent national and statewide messages. The mission of the office is to globally convey the message that Maryland's strategic location, rich natural resources, dynamic quality of life and vibrant business environment make it the premier state for business and tourism.

The DBED Office of Equal Opportunity

The DBED Office of Equal Opportunity (OEO) is responsible for the internal and external implementation and enforcement of laws pertaining to equal treatment in employment and business utilization. The OEO houses the following functions: Equal Employment Opportunity, Minority Business Enterprise, Americans With Disabilities Act and the Governor's Code of Fair

Practices. The Director of the OEO acts as the Department's advisor in policy issues related to equality and fair treatment.

The Office of Internal Audits

The Office of Internal Audits conducts full scope audits (financial, compliance and operational) of the Department of Business and Economic Development's programs and functions using standards for Internal Audits set by the Institute of Internal Auditing. In addition, the Office performs EDP related audits. The office also performs audits of grant recipients of DBED's funds. Special Projects (many of which are audit related) are conducted at the request of Departmental and Divisional management. The Office also functions as a liaison with the Legislative Auditors during their audits and other activities related to the Department. Additionally, the Office coordinates audits of DBED functions by outside CPA firms and provides consulting services for various Departmental programs.



Office of the Secretary

Office of Economic Policy and Legislation

The Office of Economic Policy and Legislation is responsible for the development of economic policy initiatives and liaison with the Governor's Office, the Maryland General Assembly and Maryland's technology community. OEPL advises on advising the Secretary on: the impact of state and federal legislative and regulatory initiatives that affect the Maryland economy and the effectiveness of Maryland's economic development policies and programs.

The Office of Economic Policy and Legislation (OEPL) has four primary functional areas – Research, Government Relations, Policy Development and Technology Coordination. These functional units work closely together to support the overall mission of developing, evaluating and advocating progressive economic development policies for the State of Maryland. OEPL is driven by demands from external customers and thus stresses timely and complete customer service.

FY 2002 Highlights:

- Organized the Techno Rising Star Awards Ceremony in which minority technology businesses in Maryland are recognized for their contributions to the economy.
- Hosted the first annual meeting of all Maryland's Enterprise Zone administrators and published a stand-alone Enterprise Zone brochure for businesses.
- Worked closely with the Maryland State Arts Council staff to define Arts and Entertainment District program regulations and designated new districts.
- Developed a small business fact sheet for internal use and for external customers who inquire about small business.
- Through collaboration between DBED and the Department of Labor, Licensing and Regulation, developed the Maryland Business Survey that examined the hospitality and construction industries.

- Hosted a delegation of cabinet level ministers from Kerala, India, which laid the groundwork for a sister state relationship between Maryland and Kerala.
- Produced the Economic PULSE Report, a monthly economic analysis that receives statewide visibility.
- Initiated the Achievement Counts Speakers Bureau, which is an educational activity sponsored by the Maryland Business Roundtable for Education that teaches youngsters how their school achievement and accomplishments in college contribute to overall success in the workplace.
- Assisted with the passage of at least eight pieces of legislation important to the business community, including bills to preserve a tax credit that helps revitalize older buildings, enhance the Maryland Technology Development Corporation (TEDCO), improve the One Maryland Tax Credit program and make Maryland more attractive to out-of-state businesses using site selection consultants. Played a pivotal role in successfully defeating several pieces of legislation that were potentially harmful to the film making community, the biotechnology sector and telecommunications companies.

Maryland Economic Development Commission

Created by Governor Parris N. Glendening in 1995, the Maryland Economic Development Commission fosters a positive business climate that will result in more employment choices for Maryland residents.

The Commission, a partnership between State government and the private sector, develops strategic plans, marketing initiatives, programs and policies to enable Maryland to compete more vigorously in the global marketplace. To this end, it has produced two plans: Strategic Directions for Increasing Maryland's Competitiveness and Strategic Directions for Increasing the Competitiveness of Maryland's Growth Industry Sectors. The Commission continues to focus on issues and actions that are critical to Maryland's business-friendliness and the retention and growth of jobs and investment.

Fiscal Year 2002 Highlights

- Provided testimony in support of the Maryland Uniform Trade Secrets Act.
- Participated in marketing the State and encouraging new business to locate in Maryland.
- Approved Department regulations pertaining to financing programs and reviewed the allocation of financial incentives.
- Continued to develop and update a strategic plan for economic development in the State.
- Approved changes to regulations for the Maryland Small Business Development Finance Authority for the Contract Financing Fund, Guaranty Fund and Equity Participation Investment Program.



Governor's Office Of Business Advocacy and Small Business Assistance

The Governor's Office of Business Advocacy and Small Business Assistance (GOBA) helps Maryland businesses navigate the processes and regulations of local, State and federal governments. GOBA acts as liaison and ombudsman to resolve business concerns quickly and efficiently. GOBA is also active in small business development initiatives and collaborates with other State departments and agencies on matters that affect businesses and the environment, workplace safety and health, taxation, transportation, permitting and licensing and federal issues.

Fiscal Year 2002 Highlights

- During fiscal year 2002, GOBA handled 1,172 cases, an increase of 250 percent over the previous year. More than 95 percent of the companies assisted were small businesses.
- Recognized the importance of micro-enterprises, those businesses with five or fewer employees, and has taken steps to increase its involvement in supporting these entrepreneurs.
- Joined with the Department of Transportation to sponsor a series of business conferences in an outreach to the Hispanic business community.
- Due to popular demand, the first Spanish version of the Small & Minority Business Resource Guide was published in 2002.
- In response to the worst tornado in Maryland's history that ripped through La Plata on April 28, 2002, GOBA led a team of 17 caseworkers from nine state agencies that responded to the needs of 192 businesses and 44 farmers.
- Assigned the responsibility of managing the 1-800 hotline that was put in place to respond to the needs of Maryland businesses that were adversely affected by the terrorist attacks on the World Trade Center and the Pentagon.
- Provided information and technical assistance to companies that experienced a drop in sales due to the drought, such as lawn mower repair, lawn cutting services, car wash operations and companies that use substantial amounts of water.

Office of the Secretary

Division of Business Development

Many companies discover Maryland through the marketing and business-attraction work of the Division of Business Development (DBD). In Fiscal Year 2002, DBD helped attract to Maryland and helped with the expansion plans of 42 companies. The Division's primary role is to strengthen and diversify Maryland's economy by attracting businesses, expanding existing businesses and expanding global commerce and foreign investment opportunities. DBD includes: Global Investment and Technology, International Trade Development, Industry and Professional Services, Advertising and Promotion and Business Information Services. The Division focuses marketing strategies on biotechnology, life sciences, advanced technologies, financial services, manufacturing, transportation and distribution.

DBD Restructuring

Over the last two years, DBD has revamped the way business development is done in Maryland. It has abolished a geographic focus and implemented an industry-sector, business-friendly team approach; aggressively recruited the best and the brightest staff as well as upgraded employee skills; and developed the State's first global market research and strategic plan to guide the work of the new industry-focused teams.

The restructuring is generating new businesses for Maryland, new jobs for Marylanders and increased exports for Maryland businesses. Leading corporations that decided to establish or expand North American and mid-Atlantic headquarters and business facilities in Maryland in Fiscal Year 2002 include:

- The Ritz-Carlton Hotel Company
- Corporate Express
- Giant Foods/Royal Ahold
- Volvo/Mack Trucks
- Allstate Insurance Company
- Children's National Medical Center
- Comcast

Fiscal Year 2002 Highlights

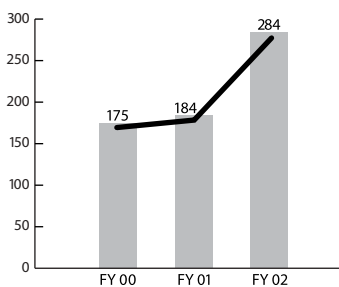
- Increased the number of key metropolitan area corporate calling missions conducted to 30, an increase of 150 percent;

- Increased the number of projects in the pipeline by 54 percent;
- Increased the number of tax credit pre-certifications issued sevenfold;
- Awarded 37 percent more ExportMD grants. In FY 2002, 51 companies received \$223,623 in ExportMD grant funds;
- Assisted 128 Maryland companies with international trade opportunities and export sales;
- Increased the estimated value of export sales to Maryland companies to \$26 million.
- Worked closely with 42 businesses that made Maryland their location of choice in FY 2002, resulting in 2,401 projected new jobs and 2,726 projected retained jobs;
- Represented DBED at 56 conferences and trade shows around the world, marketing the State of Maryland as a prime location for new business investment;
- Added business development features on the www.ChooseMaryland.org Web site, including a data repository, comparison data, commercial and industrial buildings and sites inventory and geographic information systems features;
- Performed economic and fiscal impact studies on business development projects, including the Roland Powell Convention Center, the Hippodrome Performing Arts Center and the Western Maryland Scenic Railroad.

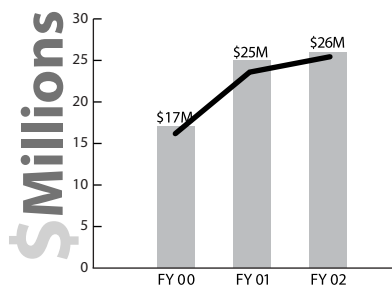
Return on Investment

- For every \$10,000 that the State spends on out-of-state travel to meet with chief business decision-makers, an average of 175 new jobs are projected for Maryland, resulting in \$6.9 million in payroll and State tax receipts of \$525,000.
- The \$1.3 million Office of International Trade Development budget for FY 2002 generated an estimated \$26 million in export sales by Maryland companies.
- Each business development dollar results in \$3 in state and local tax receipts.

Business Development Projects



Value of Export Sales



Division of Financing Programs

The Financing Division accomplishes the Department's mission of job creation, job retention and attracting capital investment by providing financial assistance that helps companies grow and prosper in Maryland. The Division assists jurisdictions and businesses through programs that include direct loans, conditional loans and grants, credit guarantees, bond issuance, linked deposits and venture capital investments. The Division's chief objectives are: to underwrite credit risks; negotiate, structure and close transactions; and monitor and manage the accounts after closing.

Resources are allocated to meet the Department's strategic goals of creating and retaining jobs (particularly in high-risk areas), with a focus on high-quality positions and family-supporting wages with benefits. The Department also takes into consideration the level of capital investment, improvement in local employment levels, the return on the State's investment and the strengthening of key industry sectors.

Financing Programs

Maryland Economic Development Assistance Authority and Fund (MEDAAF)

Five financing capabilities are offered through this incentive program, with assistance to political jurisdictions and the business community. To qualify for MEDAAF assistance, applicants are restricted to businesses located within Priority Funding Areas and those in eligible industry sectors. The project typically requires sponsorship and financial participation from a local jurisdiction.

Economic Development Opportunities Fund (Sunny Day Fund)

This program addresses business opportunities that provide extraordinary returns to the State through creating and retaining employment as well as attracting significant capital investments.

*Smart Growth Economic Development Infrastructure
Fund (One Maryland)*

This fund promotes business growth in qualified distressed counties through direct funding of all local infrastructure projects, which can include land acquisition, building construction and improvements – typically to assist in the growth of small to mid-market businesses.

Credit Enhancements

*Maryland Industrial Development
Financing Authority (MIDFA)*

MIDFA encourages private sector investments through the use of insurance, the issuance of tax-exempt and taxable revenue bonds and linked deposits. The use of insurance reduces the lender’s credit risk in the project to an acceptable level. All MIDFA projects must be in a Priority Funding Area.

*Maryland Small Business Development
Financing Authority (MSBDFA)*

A private contractor manages the four MSBDFA programs. Financing is provided for approved small businesses. The programs include a guaranty program, a contract financing program, a surety bond program and an investment program.

*Maryland Competitive Advantage
Financing Fund (MCAFF)*

MCAFF is the department’s small business direct loan program, which assists businesses unable to obtain financing on reasonable terms from traditional sources. Assistance ranges from \$10,000 to \$100,000.

Capital Investments

The Investment Financing Group oversees three programs: the Challenge Fund, the Enterprise Fund and the Venture Capital Fund. These programs focus on helping emerging, high technology businesses obtain access to early-stage capital. Investment decisions are based on the project’s potential return, the promotion of economic development and job creation.

Federal Incentives

Community Development Block Grant Program - Economic Development (CDBG-ED)

Commercial and industrial economic development projects can compete for CDBG-ED funds, which are disbursed to local jurisdictions in the form of conditional grants and are then used for public improvements or loaned to businesses.

Maryland Economic Adjustment Fund (MEAF)

This fund helps State businesses modernize operations, develop commercial applications for technology and explore new markets. The program is administered in accordance with the guidelines imposed by the Federal Government's Economic Development Act.

Fiscal Year 2002 Highlights

- In Fiscal Year 2002, the Division approved 73 new MEDAAF transactions totaling \$34.5 million, and 66 transactions closed totaling \$26.4 million. Of the 66 closed and funded transactions, 18 deals with original balances of \$18.2 million were structured as loans and conditional loans, 45 deals totaling \$5.2 million were structured as grants or conditional grants and three deals totaling \$2.9 million were structured as investments.
- The Department approved grants of \$395,718 for eight feasibility studies and six economic development plans, assisting 11 jurisdictions through MEDAAF.
- Twelve sites in four jurisdictions were approved for Brownfields Revitalization conditional, loans or grants totaling \$2.9 million.
- Four Sunny Day projects totaling \$8.4 million were closed or funded. All were structured as conditional loans. As of June 30, 2002, the Department had closed a total of 103 Sunny Day transactions, with an aggregate original balance of \$130.5 million since the program's inception in 1994.
- Five One Maryland (Smart Growth) projects were approved for program funding totaling \$7.1 million. Of these approved projects, three closed and four projects approved in previous fiscal years also closed. The projects totaled \$19.3 million and took place in Caroline, Allegany, Garrett, Dorchester and Worcester counties and Baltimore City.
- Thirteen MIDFA transactions totaling \$123.8 million (insured for \$7.9 million)

were closed, and an additional five transactions totaling \$28.3 million (insured for \$9.4 million) were approved. There were five claims on the fund, totaling \$7.3 million. These claims represent 8 percent of the \$82.6 million previously outstanding in insurance exposure.

- The Department approved five Maryland Economic Adjustment Fund (MEAF) projects totaling \$805,000.
- Through the Enterprise Investment Fund, DBED committed \$6.2 million million in nine new firms and committed follow-on funding to seven more companies, five of which graduated from the Challenge Investment Program (AgentSmith, Artifact Software, Bluefire, Chesapeake PERL, and Platformlogic, Inc.).
- The Challenge Investment Program committed all of its allotted \$1.8 million between 15 start-up firms and six previous Challenge recipients as a function of their meaningful accomplishments to date.
- CDBG-ED funds in the amount of \$5 million were used to support 10 economic development projects that expect to create 590 fulltime jobs and retain 400 full-time jobs. As of June 30, 2002, the CDGB-ED program had accumulated \$1.1 million of program income from loan repayments and captures.
- The MCAFF Program approved 22 projects for loans totaling \$1.3 million. Market acceptance of this small business program continues to improve.
- Twenty-two applications for financing were approved under the various MSBDFA programs, totaling \$6.4 million. Fifteen of these loans totaling \$3.9 million closed, and an additional seven loans in the amount of \$2 million were pending at the close of the fiscal year. Total exposure for the program at the end of the fiscal year was \$7.9 million.
- Under the MSBDFA Guarantee Program, MSBDFA guaranteed 10 loans for \$3.3 million with exposure of \$2.3 million. Fourteen applications, in all, were approved for just under \$4.8 million.
- The Surety Bond Program made four bond commitments, obligating \$1.4 million million in program funds. Seven companies were in the portfolio as of the end of the fiscal year, with bonds outstanding totaling \$1.4 million.
- Under the Equity Participation Program one transaction totaling \$500,000 was financed during the fiscal year, and a second transaction for \$350,000 was approved but later withdrawn by the company.

Division of Regional Development

The Division of Regional Development (DRD) spearheads the Department's business expansion and business retention efforts. With 80 percent of all new job growth created by existing business, this focus promotes business growth in Maryland and strengthens the foundation of the State's economy. DRD's six operating units support the economic health and growth of Maryland's communities by providing assistance that improves the quality, productivity, and competitive position of new and existing businesses.

In FY 2002, the Division of Regional Development provided direct services to 1,188 Maryland companies and organizations, promoting business retention and expansion and enhancing Maryland's corporate tax base and employee earnings. These efforts have made a difference, resulting in commitments by these companies to create 7,450 new jobs and retain 12,966 additional ones.

DRD also works to strengthen communities around the State by working with local governments, regional organizations, advocacy groups and others to build the partnerships necessary to develop and implement economic development programs and initiatives. In addition, the Division provides technical assistance, facilitates improvements to transportation and utility infrastructure, strengthens the development of the State's workforce through a variety of programs and actively promotes Maryland's military and federal facilities to ensure vitality and improved access for businesses and technology commercialization.

Fiscal Year 2002 Highlights:

- Partnership for Workforce Quality (PWQ). Helps Maryland manufacturing and technology companies improve business competitiveness and worker productivity, upgrade worker skills for new technologies and production processes and promote employment stability. In FY 2002, using \$3.6 million in funding, PWQ assisted 327 companies and provided training to 5,653 employees. The average productivity gain is \$23,976 per employee trained.

- Maryland Industrial Training Program (MITP). Ensures a well-trained, proficient workforce by providing strategic investments to create and retain jobs and train new employees in companies locating or expanding their workforce in Maryland. In FY 2002, MITP used its \$5.5 million to help 151 businesses that committed to creating or retaining more than 20,000 jobs.
- Strategic Positioning Program (SPP). This small business technical assistance program provided \$135,563 in grants to 17 Maryland companies for strategic positioning initiatives such as product planning, market identification and diversification and expansion and re-merchandising strategies.
- The Maryland Consortia Programs. The Consortia (partially funded through PWQ and MITP) consists of three consortiums, the ISO Consortium, the World Class Manufacturing Consortium and the Software Industry Consortium. These programs helped 117 companies in FY2002 become more competitive through productivity increases, the creation of greater customer value, software process improvement practices and ISO quality management systems (37 ISO, 18 SWIC, 62 WCMC).
- In conjunction with the Maryland Advisory Commission on Manufacturing Competitiveness, DRD held a series of regional manufacturing forums to gain a better understanding of manufacturers competitive pressures, impediments to business, what the State is doing well and could do better and potential solutions recommended by the private sector. More than 120 Maryland manufacturing leaders participated.
- Regional Offices. DRD's five regional offices visited and consulted with over 1,100 companies in FY 2002, a 15 percent increase over FY 2001. Through the support of the regional offices, the State of Maryland was able to retain companies like ATK Tactical Systems in Elkton, Mack Trucks in Hagerstown and Wells Fargo in Frederick. In addition, individual offices facilitated the opening of an intellectual property resource center, created an industrial maintenance training program to meet the specific needs of local businesses and provided key business aid to the communities devastated by the Southern Maryland tornados.
- Strategic Assistance Consulting Fund (SACF). This pilot project had a tremendous first year, surpassing its client service goals by 33 percent. The program has provided 100 small, minority and micro-enterprise companies

in more than 30 industry sectors with specialized, expert consulting services. The program expenditure was \$587,097 in FY 2002.

- **DBED/SBDC Linkages Program.** This initiative provided \$490,000 in FY 2002 to strengthen the Small Business Development Center (SBDC) Network, which provides specialized training and consulting services for small business clients in the retail, tourism and technology centers.
- **Maryland With Pride.** This program identifies, differentiates and promotes Maryland products and businesses through business-to-business marketing, representation at business trade shows, placement of stories in newspapers and other publications and other marketing tools. The Division offered marketing assistance to more than 200 Maryland businesses in FY 2002.
- **Office of Military and Federal Affairs.** In FY 2002, the office conducted an economic impact analysis on the Patuxent River Naval Station and the Indian Head Naval Surface Warfare Center, detailing the major economic importance of the two bases: \$688 million in payroll and 12,681 direct jobs. In FY 2002, the Naval Surface Warfare Center at Indian Head gained the Marine Chemical and Biological Terrorism Response Team and the Aberdeen Proving Ground gained the Counter-Terrorism and Security Training Center.
- **Regional Development Councils.** DRD played an integral role in establishing and funding two new regional development councils on Maryland's Eastern Shore – the Mid-Shore Regional Council and the Tri-County Council for the Lower Eastern Shore. DRD works closely with all the State's regional councils and has begun an effort to encourage them to work more closely together.
- **Community Assistance.** DRD works closely with local governments on individual economic development projects. The Division continues to assist the Bainbridge Development Corporation in its efforts to redevelop the former Bainbridge Naval Training Station in Cecil County. DRD also provided assistance to local leaders in Crisfield and Somerset County in establishing the Crisfield Development Corporation.
- **Baltimore City Hospitality Pilot.** This pilot provided for the development of curricula to train hospitality staff through a partnership between DBED, Baltimore City Community College, the Maryland Hospitality Education Foundation, the Restaurant Association of Maryland and the Mayor's Office of Employment Development.

- Maryland Game Developer Initiative. Maryland is home to more than a dozen small and minority companies employing more than 600 people in the game development industry, making the State one of the largest clusters of game developers on the East Coast. In FY 2002, DBED strengthened its support to the industry through advertisements and trade show participation, including the International Game Developer's Association conference and academic summit in San Jose, California, as well as through workforce development partnerships with the business and education community.



Division of Tourism, Film and the Arts

Maryland's drawing power as a great place to visit, live and work depends heavily on our State's outstanding and diverse cultural and recreation opportunities. Not only do they contribute to the quality of life for Marylanders, vacationing families and business travelers, but they also employ more than 100,000 residents in jobs that show the world Maryland at its best.

The Division of Tourism, Film and the Arts promotes Maryland as a great State in which to tour and travel, as well as to hold meetings and conventions. It promotes Maryland as an ideal venue for the production of feature films, television programs, videos and commercials. The Division also promotes all disciplines of Maryland's vast art venues. The Division includes three main departments: the Maryland Office of Tourism Development, the Maryland Film Office and the Maryland State Arts Council

FY 2002 Highlights:

Office of Tourism Development

- The Office of Tourism Development (OTD) reported last year that 19.4 million person trips were taken to the State in 2001, an 8.7 percent increase from 2000.
- The economic impact of visitors totaled \$8.2 billion in travel expenditures, 104,300 jobs and \$686 million in state and local tax receipts.
- OTD increased the rate of return to more than \$16 in expenditures for every \$1 invested in the aggressive promotion of Maryland as a world-class travel destination, a 78 percent increase from Fiscal Year 1996. In addition, OTD increased the rate of return to more than \$2 in tax revenue for every \$1 invested in promoting Maryland. This is up from \$1.10 in Fiscal 1996.
- OTD has been awarded more than \$3 million in federal dollars to develop and promote Maryland's unique products, such as the Civil War Trail, The Star-Spangled Banner Trail, State Scenic Byways and the Historic National Road. The projects were able to proceed because of the matching federal funds.

- The Office successfully instituted Maryland Taxi Host, a training program for Maryland taxicab drivers to help them increase their income and become more familiar with State tourist destinations. The program is required in Baltimore City to obtain or renew a taxicab license.
- OTD created the EXPLORE MARYLAND program to spur travel following September 11, allowing Maryland businesses to offer discounted accommodations and services to travelers who visited the MDISFUN Web site (www.mdifun.org). A total of 120 businesses participated in the program.
- OTD received more than \$18 million worth of positive travel-related press coverage of Maryland as a travel destination.
- The Maryland Tourism Development Board partnered with Celebrate Maryland! retail stores to create Maryland tourism logo merchandise, including t-shirts, denim shirts, polo shirts, mugs, hats, sweatshirts and an array of novelty items.
- The MDISFUN Web site has been redesigned to allow visitors to interactively add tourism products and services to a trip planner, map directions, make hotel reservations, view properties and sites and contact the Maryland Call Center to chat with customer service representatives.
- The cost-per-lead of television, print and Internet advertising dropped from \$14.98 to \$11.84, a 30 percent decrease.
- OTD developed and produced several new publications, including Maryland's African-American Heritage Guide, the Maryland Film Trip Guide, the Sports Facility Resource Guide, the Civil War Heritage Guide and the newly redesigned Maryland Golf Guide.

Maryland Film Office

- Feature film production in the State included the Ted Turner Pictures' Civil War epic "Gods and Generals," which was filmed in Hagerstown for five months and most of the exterior filming of the Universal Pictures feature "Red Dragon," the prequel to the "Silence of the Lambs." The Dreamworks feature film "Head of State" had 45 days of pre-production in Fiscal year 2002 beginning in May.
- Maryland saw the return of series television to the state in Fiscal year 2002

with the pilot for the HBO series, “The Wire,” filming in the fall of 2001. The series then began production on 13 episodes in February 2002. The television pilot for CBS, “The Mayor of Baltimore,” spent 29 days in pre-production in Baltimore before CBS pulled out due to casting difficulties.

- Maryland hosted 238 filming days in Fiscal year 2002 for feature film and television productions. An additional 458 days of filming were completed on commercial, industrial, music video, basic cable and documentary projects. The economic impact for all projects was \$64.5 million.
- The Film Office continued working with two potential developers for what would be Maryland’s first major motion picture soundstage. DBED helped these groups finance two independent feasibility studies that were completed in the spring. A third potential developer began discussions with the Film Office in Fiscal year 2002.

Maryland State Arts Council

- The Maryland arts industry contributes more than \$817 million annually to the State’s economy, providing more than 18,000 jobs and generating \$31 million in State and local taxes.
- The Maryland State Arts Council (MSAC) awarded \$8.8 million in general operating, project and incentive grants to 349 Maryland arts organizations, leveraging more than \$130 million in matching funds from other sources.
- Arts in Communities Grants were made to 65 newly formed arts groups that did not qualify for traditional forms of general operating support.
- Individual grants were made to 125 artists in fiction, media, music performance, dance performance, theatrical performance and visual arts.
- Local arts councils in 24 jurisdictions received \$2.02 million for grants to local organizations, which leveraged more than \$8.6 million in non-state funds.
- The MSAC distributed almost \$20,000 in Challenge America funds from the National Endowment for the Arts through grants to county arts councils.
- The Artists in Education program made grants to over 270 artists who performed and taught in 651 schools across Maryland.

- More than 9,450 performances and arts workshops were presented to more than 217,276 school children.
- The MSAC received \$32,000 from the National Endowment for the Arts Folklife Program for Maryland Traditions, a joint effort of the MSAC and the Maryland Historical Trust to research and compile Maryland folk arts and living traditions.
- In Fiscal year 2002, 16 organizations received organizational reviews conducted by MSAC consultants through the Organizational Development Assistance Program.
- The Partnership for Arts and Cultural Education – which includes the Maryland State Department of Education and Arts Education in Maryland Schools – awarded \$22,743 in grants to support projects in five Maryland counties.
- The Lockheed Martin/MSAC Technology Enhancement Grants developed technology for Maryland arts organizations and county arts councils. In Fiscal year 2002, 28 organizations received grants to buy \$100,000 of computer hardware.
- The MSAC completed the development of its new grants management system and automated eGRANT system for submission of Council grants and report forms via the Internet. The system was installed, and eGRANTS were available to arts organizations.
- Work has begun on a new and enhanced Web Site with a new look and user-friendly navigational tools. The site will be dynamic, provide interactive capabilities, advanced searching, surveys, listservs and more.



Office of Administration and Information Technology

The Office of Administration and Information Technology provides administrative and support services for the Department through Human Resources Management, General Services, Contracts and Procurement, Budget and Finance and Information Technology offices.

The division provides cost-effective and proactive administrative services in a centralized location using a highly technical and specialized staff to support the Department's programs. The Division serves as the primary representative of the Department to other state administrative agencies, including the Department of Budget and Management, the Department of General Services and the Comptroller of the Treasury.

Human Resources Office

The Office of Human Resources provides organization and management of all personnel and staff development programs to ensure a productive workforce for the Department. Activities include: recruitment, classification and compensation, employer/employee relations, benefits administration, performance assessment and training.

General Services Office

The Office of General Services provides operational and logistical support to the Department. Responsibilities include printing, courier and supply services and management of facilities, leases, fleet, telecommunications, mail, inventory, records retention, forms, off-site storage, relocation, security and emergencies.

Contracts and Procurement Office

The Office of Contracts and Procurement reviews and approves all contracts and purchases for the Department. The Office prepares specifications, administers the bidding processes, reviews contract documents and prepares purchase orders.

Budget and Finance Office

The Budget and Finance Office provides central budgeting and accounting support services for the Department. The Office provides central general

accounting services that include employee payroll, timesheets, invoice payments, grant and loan payments, cash receipts and travel expense reimbursements. The Office monitors the budget and issues reports to the divisions or programs and the senior management of the DBED and the Department of Budget and Management (DBM). The Office is the official Departmental contact with DBM and the Department of Legislative Services.

Office of Information Technology

The Office of Information Technology (OIT) oversees all Department information technology and telecommunication services, including strategic planning, project management, end user support, help desk services, system maintenance and network integration and infrastructure support.

Fiscal Year 2002 Highlights

- Upgraded computer-training room to a state of the art agency electronic classroom.
- Implemented an on-line ordering system for all office supplies with Rudolph Office, a Minority Business Enterprise.
- Exceeded our MBE goal by 13 percent (28 percent overall).
- The Departmental MFR/CQI steering committee's role was expanded.
- Continued to refine departmental mission, vision and goals statements.
- Continued a successful departmental wellness program.
- Implemented the on-line payroll system.
- Implemented ACH wire transfer payment system.
- Help Desk staff received a Departmental customer service award.
- Mailroom staff received a Departmental customer service award.
- Oversaw the successful launch of state tourism portal, MDWelcome (www.mdwelcome.org) and Web-based call center/fulfillment application (mdtrips.mdifun.org).
- Continued a successful grant program involving teleworking through DBM.
- Implemented improved security measures for the Department, including ID badges.
- Continued IT oversight and support of the statewide award winning business information portal – ChooseMaryland (www.choosemaryland.org).
- Implementation of Wide Area Network services to provide cost-effective connectivity to regional offices and remote users.

Budget

Fiscal Year 2002

Office of The Secretary

Secretariat Services	1,045,016
Communications Office	1,058,312
Economic Policy And Legislation	1,114,943
Internal Audits	217,724
Governor's Office of Business Advocacy	424,046
Maryland Economic Development Commission	25,000
Assistant Attorney General	1,417,403
Total	5,302,444

Office Of Administration And Information Technology

Office Of Administrative Services	2,215,195
Office Of Information Technology Services	1,238,376
Total	3,453,571

Division Of Financing Programs

Operating Budget

Office of The Assistant Secretary	1,548,066
Maryland Small Business Development Financing Authority (MSBDFA)	1,178,572
Consolidated Operations	1,897,766
Maryland Enterprise Investment Fund	3,126,651
Division Operating Total	7,751,055

Capital Budget

MSBDFA	7,831,250
Maryland Enterprise Investment Fund	6,000,000
Challenge Investment	2,000,000
Maryland Economic Adjustment Fund	800,000
Maryland Economic Development Assistance Fund	30,031,186
Maryland Competitive Advantage Financing Fund	1,800,000
Smart Growth Economic Development Infrastructure Fund (One Maryland)	10,300,000
Division Capital Total	58,762,436
Division Operating And Capital Total	66,513,491

Division Of Business Development

Office Of The Assistant Secretary	850,922
Industry And Professional Services	1,047,691
Office Of Business Information Services	1,298,841
Office Of Advertising And Promotion	2,619,699
Technology And International Business	1,654,702
Trade Development	1,308,682
Foreign Offices	1,202,000
Total	9,982,537

Division Of Tourism, Film And The Arts

Office Of The Assistant Secretary & Administration	1,725,439
Office Of Tourism Development	7,011,129
Maryland Tourism Development Board	6,279,600
Maryland Film Office	1,268,575
Maryland State Arts Council	14,145,989
Total	30,430,732

Division Of Regional Development

Office Of The Assistant Secretary	1,546,036
Office Of In-State Business Services	2,331,012
Grant Administration	8,441,720
Military Affairs And Federal Facilities	382,655
Office Of Community Planning	474,173
Partnership For Workforce Quality	3,850,000
Total	17,025,596

Department Total	132,708,371
Sunny Day	11,625,000
Department + Sunny Day	144,333,371



Telephone Directory

Office of the Secretary 410-767-6300

Attorney General's Office	410-767-6446
Equal Opportunity Office	410-767-6469
Maryland Economic Development Commission	410-767-6309
Communications	410-767-6321
Internal Audits	410-767-2286
Governor's Office of Business Advocacy	410-767-0545

Office of Economic Policy and Legislation

Baltimore (May - December)	410-767-6312
Annapolis (December - May)	410-260-6307
Business and Economic Research	410-767-6398

Division of Business Development 410-767-6740 / 800-811-0051 (toll free)

Office of Advertising and Promotion	410-767-6795
Office of Technology and International Business	410-767-0684
Office of Industry and Professional Services	410-767-6658
Office of Business Information Services	410-767-6441
Business Research and Analysis	410-767-6394

Division of Financing Programs 410-767-6359

Financing Programs	410-767-3213
Day Care Financing	410-767-6356

Maryland Industrial Development Financing Authority (MIDFA)	410-767-6376
Maryland Small Business Development Financing Authority (MSBDFA)410-333-4270 (privately managed)	
Investment Financing Group	410-767-6359
Trade Financing	410-767-6383

Division of Tourism, Film and the Arts
410-767-6266

Maryland Film Office	410-767-6340
Maryland State Arts Council	410-767-6555
Tourism Development	410-767-6278
Special Projects	410-767-4706

Division of Regional Development
410-767-0095

In-State Business Services	410-767-3376
Interagency and Local Government Coordination	410-767-6529
Military and Federal Affairs	410-767-2988
Finance and Administration	410-767-0550
Consortia	410-767-6517

Administration and Information Technology
410-767-3384

Budget and Finance	410-767-2360
Contracts and Procurement	410-767-2211
General Services	410-767-2202
Human Resources	410-767-2245
Information Technology	410-767-2302

Contact Us





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1-888-CHOOSE-MD
www.choosemaryland.org

Parris N. Glendening, Governor | Kathleen Kennedy Townsend, Lt. Governor | David S. Iannucci, Secretary | James H. McLean, Deputy Secretary