



MARYLAND DEPARTMENT OF BUSINESS & ECONOMIC DEVELOPMENT  
FISCAL YEAR 2014 ANNUAL REPORT



# Message from the Governor



Dear Friends:

I am pleased to present the 2014 Annual Report of the Maryland Department of Business and Economic Development (DBED). The Department's activities share one common, ultimate goal — to support the creation of good, family-sustaining Maryland jobs.

The Department and the O'Malley-Brown Administration have remained committed to this goal throughout the last eight years. And DBED's programs and projects are the result of our shared investments in Maryland's future. Together, we're investing in the entrepreneurs, innovators, highly-skilled workers and companies that will fuel Maryland's economy for generations to come. In the past year, we have seen these investments continue to pay off.

The State's commitment to manufacturing as well as direct assistance from DBED led to a \$30 million expansion at the Hagerstown Volvo facility. InvestMaryland continued to pump high levels of venture funding in the most promising, young, high-tech Maryland companies. And the 2nd annual InvestMaryland Challenge business competition awarded nearly \$1 million in prizes to dozens of deserving startups.

We are also nearing the halfway point in our 10-year commitment to invest \$1.3 billion in the life sciences by 2020. This past year, we expanded tax credits that support critical research and development activity, as well as biotechnology and cybersecurity firms that are so vital to our State's future. And, we continued to see record visitors flock to Maryland for our natural beauty, events, attractions and cultural and heritage sites that make our State a great place to live, work and visit.

Thank you for your support. And thank you for your commitment to making Maryland a better state for our children and theirs.

Sincerely,

Martin O'Malley  
Governor

## Contents

<b>Message from the Secretary</b>	<b>2</b>
<b>Legislative Report</b>	<b>3</b>
<b>Boards and Commissions</b>	<b>3</b>
<b>Major Accomplishments</b>	<b>4</b>
<b>Growing Business</b>	<b>7</b>
<b>Attracting New Business</b>	<b>7</b>
<b>Supporting Entrepreneurs</b>	<b>8</b>
<b>Facilitating Business Expansion</b>	<b>10</b>
<b>Partnering for Growth</b>	<b>11</b>
<b>Marketing Maryland</b>	<b>13</b>
<b>Business Outreach</b>	<b>13</b>
<b>Beyond Borders</b>	<b>14</b>
<b>Enhancing Maryland's Quality of Life</b>	<b>15</b>
<b>Resources &amp; Tools</b>	<b>17</b>
<b>Investing in Innovation</b>	<b>18</b>
<b>Organizational Chart</b>	<b>20</b>

## Maryland Department of Business & Economic Development

World Trade Center

401 East Pratt Street, Baltimore, MD 21202

[www.ChooseMaryland.org](http://www.ChooseMaryland.org)

1.888.ChooseMD

**Dominick E. Murray**, Secretary

**Robert L. Walker**, Deputy Secretary

# Message from the Secretary



One of our most important goals at the Maryland Department of Business and Economic Development is to help businesses in every region of our State grow and thrive. We do that through many flexible programs and resources, like our suite of

financing options that includes direct loans, loan guarantees, and tax credits; by connecting companies to incubator space, commercial sites, and contracting opportunities; and with an aggressive effort to market Maryland as a great place to start, run, and grow a business. Our team works hand in hand with businesses every day to understand their challenges and find solutions.

For example, in 2011, DBED worked with Protenergy Natural Foods to identify a manufacturing site in Cambridge as the food processor considered moving jobs out of state. Within a year, the company announced plans for an expansion, and DBED assisted with a loan and bond financing. As a result, Protenergy exceeded expectations, tripling its workforce to more than 150. When Protenergy was acquired by TreeHouse Foods in 2014, DBED worked with the new management as it planned additional investment in Cambridge and 35 new jobs.

DBED also worked closely with MedImmune, now one of the State's and nation's most successful biotechnology innovators, by providing financing assistance for two large-scale capital projects — a manufacturing facility in Frederick in 1996 and a 210,000-square-foot

headquarters expansion in Montgomery County six years later. As MedImmune has prospered, veterans of the company have gone to start life-saving companies of their own. And in 2012, then-CEO Peter Greenleaf worked with DBED to oversee the raising of \$84 million for InvestMaryland, the State's key fund to support innovative companies.

Working with Maryland's business community is an integral part of our continued success. We have been fortunate to have the guidance of our many boards and commissions, which have been steadfast in their commitment to growing jobs and improving our economy. And, through the leadership of Governor Martin O'Malley and the support of our stakeholders and legislators, we have been able to put in place a number of key initiatives, like InvestMaryland, the Maryland Innovation Initiative and programs to grow our cybersecurity, life sciences, aerospace and defense and manufacturing industries, that will continue to benefit our State for decades to come.

Together, we are working toward a brighter future for all Marylanders. I invite you to visit our newly designed website, [www.ChooseMaryland.org](http://www.ChooseMaryland.org) or call us at 1-888-ChooseMD for more information on how we can help your company succeed.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Murray". The signature is fluid and cursive, with a long, sweeping underline.

Dominick E. Murray  
Secretary

# Legislative Report

The 2014 Maryland General Assembly session focused on issues pertaining to Maryland's business climate with an agenda that included numerous bills to stimulate and support the state's economy. As the state's primary economic development agency, the Maryland Department of Business and Economic Development (DBED) worked with the administration, legislators, local governments, and business stakeholders on budget and legislative priorities.

DBED's partnerships to support economic development policy also involved many other organizations including the Maryland Department of Transportation, the Department of Housing and Community Development, the Technology Development Corporation and the Maryland Economic Development Corporation.

## Among the legislative successes of the 2014 session are two new programs to be administered by DBED:

### Regional Institution Strategic Enterprise Zone

The Regional Institution Strategic Enterprise (RISE) Zones allow businesses locating in such zones to receive state Enterprise Zone property and income tax credits for hiring new employees, and provides priority consideration for assistance from other state programs. RISE also creates a "business and community development concierge" to assist businesses locating in RISE Zones with permitting and licensing requirements, and facilitate access to programs at other state agencies.

### Business and Economic Development – Maryland E-Nnovation Initiative

This initiative establishes the MD E-Nnovation Initiative Program, the MD E-Nnovation Initiative Fund Authority and the MD E-Nnovation Initiative Fund in DBED. It leverages the impact of \$51 million in state funds through matching funds from the private sector to recruit and retain top university researchers in scientific and technology fields to enhance the economic competitiveness of the state and build on existing clusters of research and innovation.

## The Fiscal Year 2015 budget process was also very successful for the state economic and tourism development programs:

- Biotechnology Tax Credit: \$12M
- Cyber Tax Credit: \$4M
- Enterprise Investment and Challenge Fund: \$29.9M
- Film Production Tax Credit: \$15M
- Maryland Economic Development Authority Assistance and Fund: \$27.5M
- Maryland Small Business Development Financing Authority: \$6.3M
- Maryland State Arts Council: \$17.1M
- Maryland Tourism Board: \$10.8M
- Research and Development Tax Credit: \$9M
- Small, Minority, and Women-Owned Business Account: \$11.1M

In addition, the National Cyber Center of Excellence (NCCoE) in Montgomery County received \$2M General Obligation Bonds in the Maryland capital budget.

## Boards and Commissions

### Maryland Economic Development Commission

Chair, Susan J. Ganz

### Governor's Commission on Small Business

Chair, Ackneil M. Muldrow II

### Governor's International Advisory Council

Chair, Harold L. Adams

### Maryland Advisory Commission on Manufacturing Competitiveness

Chair, Jeff Fuchs

### MD Commission on Public Art

Chair, Catherine Leggett

### Maryland Life Sciences Advisory Board

Chair, Rachel King

### Maryland Military Installation Council

Chair, Dominick Murray

### Maryland State Arts Council

Chair, Barbara Bershon

### Maryland Tourism Development Board

Chair, Greg Shockley

### Maryland Venture Fund Authority

Chair, Peter S. Greenleaf

### Maryland War of 1812 Bicentennial Commission

Chair, Raymond A. "Chip" Mason

### Maryland Small Business Development Financing Authority

Chair, Celester A. Hall

# Major Accomplishments

## Cellphire earns \$1M state investment

Platelets are life-saving blood cells crucial to helping a person stop bleeding—blood cells that cannot survive for any longer than five days outside of the human body. Cellphire, an early-stage biotechnology company based in Rockville, has developed an innovative response to this problem—freeze-drying platelets for future use. DBED's InvestMaryland program, administered by the Maryland Venture Fund, is supporting continued development of Cellphire's freeze-dried platelet product, Thrombosomes, with a \$1 million investment.

## Manufacturing Partnership established

DBED worked closely with the National Institute of Standards and Technology to establish Maryland MEP, Inc., a 501c3 non-profit organization, as a strategic advisor to promote business growth and connect small and medium sized manufacturers. DBED financially supports the MEP, assists in developing specific services, and works to reach manufacturers across the state. The partnership continues to create and retain manufacturing jobs for middle class families while improving performance and sustainability at several manufacturers.

## Amazon fulfillment center to bring 1,000 jobs

DBED's Office of Business Development worked closely with Amazon, providing site selection support and several tax credits to attract a one-million-square-foot fulfillment center and more than 1,000 full-time jobs to the former General Motors plant in Southeast Baltimore. Amazon's initial investment in the facility could exceed \$212 million. In conjunction with the fulfillment center, an Amazon sortation center will provide an additional 125 jobs.

## InvestMaryland Challenge draws 260 entries

The InvestMaryland Challenge, a national seed and early-stage business plan competition now in its second year, drew 260 entries from around the country. DBED organized a panel of over 80 investors, entrepreneurs, business executives and other members of the startup community to judge entries over three rounds. DBED awarded four \$100,000 grand prizes to startup companies in the IT, Life Sciences, Cybersecurity and General categories. Partner organizations also contributed an additional \$500,000 in cash and in-kind awards to numerous other winners.



## Testimonial

This \$1,000,000 investment from **Maryland Venture Fund** enables us to begin pursuing other applications in diagnostics, sports medicine, plastic surgery and dentistry.

# CELLPHIRE

Stephen H. Willard, CEO





**Former BioMaryland award winner Sanaria won the 2014 Vaccine Industry Excellence Award for having the “Best Prophylactic Vaccine” against malaria.**

### **BioMaryland Center awards \$1.5M for innovation**

The BioMaryland Center awarded seven companies and one university nearly \$1.5 million for innovation and commercialization. The funding, divided among the recipients, will be used to advance the commercialization of a variety of life sciences technologies. BioMaryland has awarded more than \$7.5 million to 40 Maryland companies since its launch in 2010.

#### **Projects awarded this round include:**

- AsclepiX Therapeutics LLC (Baltimore)—a long-lasting drug that would reduce the number of eye injections for macular degeneration and improve patient vision.
- Brain Sentry, Inc. (Bethesda)—helmet-mounted sensors which detect and count possible concussive injury hits for youth engaged in sports.
- Clear Guide Medical LLC (Baltimore)—ultrasound guided technology to make needle biopsies more accurate, faster, and safer.
- Cordex Systems LLC (Annapolis)—an enhanced blood pressure cuff to measure endothelial dysfunction, the earliest indicator of atherosclerosis.
- Harpoon Medical, Inc. (Stevensville)—a surgical tool that will enable surgeons to repair the mitral valve using a minimally invasive beating-heart approach.
- Otomagnetics LLC (College Park)—a magnetic particle drug delivery system for treatment of sudden hearing loss and, eventually, common ear infections.
- Vasoptic Medical, Inc. (Columbia)—a low-cost, portable retinal-imaging instrument for early diagnosis of diabetic retinopathy affecting one in three diabetics.
- Johns Hopkins University (Baltimore)—a system that assists with securing the puncture site during cardiac ablation therapy to compensate for the beating heart.

### **Two BioMaryland companies go public**

GlycoMimetics, an early recipient of Maryland Venture funds, completed the first IPO on NASDAQ in 2014 highlighting its successful Phase 2 trial for a drug for sickle cell anemia. MacroGenics completed its IPO before the close of 2013 raising more than \$80 million to support the development of potential treatments for breast cancer and other solid tumors.

### **Emergent BioSolutions hiring 133 employees**

Global pharmaceutical company Emergent BioSolutions will expand into a new headquarters in Gaithersburg retaining 235 employees and hiring an additional 133 employees over the next five years. To assist with project costs, DBED approved a \$2 million MEDAAF conditional loan. Emergent has the only FDA-licensed anthrax vaccine on the market and was in the top 20 on the Washington Business Journal's recent list of top 100 largest publicly traded companies in the Washington metro area.



### **Moodispaw tapped for Cybersecurity Roundtable**

U.S. Senator Barbara Mikulski and Governor Martin O'Malley recently announced the launch of the Maryland Cybersecurity Roundtable, providing a forum for discussion among cyber companies, state agencies and military personnel. The industry-led roundtable is run by an executive committee headed by Len Moodispaw, President and CEO of KeyW Corporation, and Jeffrey Wells, DBED's Executive Director of Cyber Development.

### **Volvo investing \$30M in Hagerstown expansion**

Volvo Group, one of the world's largest producers of heavy-duty diesel engines, is investing \$30 million to expand the company's Hagerstown facility with plans to add as many as 140 full-time jobs and retain 1,340 jobs. To assist with project costs, DBED approved a \$4 million MEDAAF conditional loan. In addition, Washington County has approved a \$2 million conditional loan. Volvo credits a highly-skilled and capable workforce as a strong factor in its commitment to Washington County.

# Major Accomplishments



“Testimonial

We are grateful for DBED’s support of manufacturing firms, and look forward to growing our business in Maryland with **DBED as a partner.**

**Maritime Applied Physics Corporation**  
Mark Rice, President



## **Brazil and El Salvador trade mission**

Governor O’Malley led a delegation from Maryland to Brazil and El Salvador in December 2013 with more than 30 Maryland companies, including Lockheed Martin, Respira Medical, Cambridge International and Earth Networks. During the trade mission, Brace Pharmaceuticals, an investment company created by EMS S/A, Brazil’s largest domestic pharmaceutical company, announced a \$200 million investment in biotechnology companies in Maryland. A second Brazilian life sciences company, DK Diagnostics, announced plans to double the size of its Maryland office and manufacturing operations.

## **DBED attends RSA Conference**

For the third consecutive year, DBED attended the RSA Conference and Expo, the nation’s premier information security conference in San Francisco. A number of Maryland cybersecurity companies were featured during the event highlighting new, innovative products. Top honors at RSA were awarded to Silent Circle’s new security encrypted “Blackphone,” and RedOwl Analytics was named “Most Innovative Company.”

## **Visitation to Maryland increases 33.3 percent**

Maryland welcomed 36.1 million domestic travelers in 2013, an increase of 2.2 percent from 2012 and an increase of 33.3 percent from 2007’s 27.2 million visitors, according to a national survey of U.S. travelers conducted by D.K. Shifflet & Associates, a leading tourism industry research firm. Growth has occurred in all segments since 2007—in business and leisure, as well as both day trips and overnights. Maryland has increased market share 13.3 percent since 2007, outperforming national and regional trends.



# Growing Business

DBED's Business Development team grows Maryland's economy by **attracting new businesses, supporting entrepreneurs, facilitating business expansion and partnering for growth**. Businesses receive support in all stages of development from the earliest inquiry to exploring financing and tax credit options, navigating licensing and regulation issues and identifying local, regional and international partnerships. In Fiscal Year 2014, the Business Development team helped to create or sustain more than 10,627 jobs—creating strategic relationships and countless opportunities along the way.

## Attracting New Business

### Salsa Labs plans move to Maryland

Maryland Venture Fund made its largest initial investment to date—\$1 million in Salsa Labs, a marketing software provider for nonprofits. With locations in Virginia and Washington, D.C., the company has committed to moving its current offices and 50 employees to Bethesda. The marketing software is used by more than 2,000 organizations and 15,000 campaign managers, with clients such as Aid for Africa, Families USA, and Campaign for Tobacco-Free Kids.

### Aberdeen attracts major national distributor

Gordon Food Service, the nation's 34th largest privately-held company, plans to invest \$6 million in capital expenditures and create 180 jobs within the first three years of operation of its new distribution center in Aberdeen. DBED approved a \$210,000 MEDAAF conditional loan to assist the company with establishing the center located in an existing 242,000-square-foot space. The family-owned company chose Aberdeen in part because of its easy access to the Baltimore, Washington, D.C. and Philadelphia markets.

### Korea contract office generates FDI

Since 2007, DBED's contingency office model has been successful in expanding the Department's international footprint and supporting Maryland's exporters, while minimizing costs to taxpayers. In 2014, when the Seoul contingency office attracted a Korean-headquartered

firm to Maryland, the model generated its first foreign direct investment (FDI) win, LABSIS, a provider of laboratory equipment and services.

### Space industry studies identify opportunities

DBED funded the *Unmanned Aerial & Space Systems & Launch Industry Feasibility Study* to identify specific areas of potential investment to spur additional growth on Maryland's Eastern Shore. Growth drivers include Expendable Launch Vehicle launches and Unmanned Aerial System test and development.



The *Space & Unmanned Flight Incubator Feasibility Study* commissioned by DBED and TEDCO, evaluated the supply and demand factors associated with planning and funding for an incubator facility focused on the space industry, concluding the need for a virtual space incubator.

### BSI relocates to Cumberland

West Virginia company Berkeley Springs Instruments (BSI) discovered the benefits of Allegany County—a talented workforce and opportunities for growth—and relocated to Cumberland. BSI produces remote sensors that monitor pipe integrity for the oil and gas industry. DBED also facilitated a MIPS grant award for BSI and established a relationship

# Growing Business

between BSI and Frostburg State University's Department of Computer Science and Information Technologies. BSI and FSU are developing a user interface for the company's oil pipeline monitoring system that will create high-tech jobs and generate revenues for the area.

## RESI releases impact of Film Tax Credit

The Regional Economic Studies Institute (RESI) released its findings on the economic and fiscal impacts of the Film Production Tax Credit. RESI determined that the return on investment of the film tax credit program between calendar years 2012 and 2015 was \$1.03 in tax revenue for every \$1 claimed in film tax credit. Those projects that received tax credits employed on average 746 Marylanders, and nearly 860 Maryland businesses and vendors were positively impacted.

## Supporting Entrepreneurs

### ZeroedIn Technologies receives VOLT funding

The Anne Arundel Economic Development Corporation's Video Lottery Terminal Fund (VOLT), on behalf of DBED, awarded a \$250,000 loan to ZeroedIn Technologies. A leader in workforce analytics solutions specifically designed to accelerate business innovation, the company plans to use the funds to invest in marketing, product development, and software enhancements, which will grow its client and revenue base.



### InvestMaryland awards \$600k to cyber startup

Luminal, a cybersecurity startup that simplifies and secures cloud computing systems, moved to Frederick from West Virginia and was awarded a \$600,000 investment from the state's InvestMaryland program. The funding, administered by the Maryland Venture Fund, will allow the company to expand its workforce and product development, as well as its clientele.

### Cyber Tax Credit completes first awards

In FY14, DBED's Cyber Development team and the Office of Finance Programs attended numerous events and conducted webinars to communicate the benefits of the newly approved Cybersecurity Investment Incentive Tax Credit. The team reviewed 22 applications, awarding a total of \$1 million to three new Maryland cybersecurity companies: Integrata Security, Luminal and ZeroFox.



“Testimonial

**DBED's MIDFA program is a great partner to Maryland manufacturing. It enables manufacturers to invest back into the community and hire more talent.**

# MARLIN STEEL

Drew Greenblatt, President



“ Testimonial

**The Military Personnel and Veteran-Owned Small Business No-Interest Loan Program can mean the difference between a company expanding or not staying in business.**

# Go Waiter

**Kristen Bell, Owner, Operator and Veteran**



## Veteran-owned company expands

DBED approved a \$100,000 loan to Bell Enterprises LLC, which goes by the trade name, GoWaiter, of Waldorf. The loan will be used to expand and promote the company and comes from DBED’s Maryland Small Business Development Financing Authority and the Military Personnel and Veteran-Owned Small Business No-Interest Loan Program.

## ADVANCE Maryland: economic gardening

DBED partnered with the Economic Alliance of Greater Baltimore and the Edward Lowe Foundation’s National Center for Economic Gardening to create “ADVANCE Maryland,” a business program to support second-stage, growth-oriented companies. In the first year of the program, five companies were selected and matched with a national network of highly skilled research specialists to help the companies address strategic growth challenges, offering customized and critical strategic advice. The program continues in FY15 with plans to expand to 12 companies.



## Startup craft brewery opens in Silver Spring

Denizens Brewing Company is opening a brewery and seasonal beer garden in Montgomery County. The company will move into a 7,500-square-foot building in downtown Silver Spring and plans to manufacture up to 2,000 barrels annually by its second year of production. DBED is assisting in the purchase with a state-backed guarantee on a \$500,000 loan by EagleBank, provided through the Maryland Industrial Development Financing Authority.



**DBED’s Guide for Small Businesses and Entrepreneurs includes an extensive network of people and programs to help you meet your business goals.**



# Growing Business

## Partnership funds DreamIt Health Baltimore

DBED partnered with Johns Hopkins University, Northrop Grumman, Kaiser Permanente, BioHealth Innovation and the Economic Alliance of Greater Baltimore to fund the DreamIt Health Baltimore accelerator. DreamIt speeds the growth of early-stage health IT companies through a program combining seed capital, mentorships, expertise, education and services. Ten companies were selected from 72 applicants to complete the four-month course.

## Facilitating Business Expansion



## Manufacturer to keep Belcamp HQ and operations

Independent Can Company, a manufacturer and printer of specialty tin containers, will continue to operate its headquarters and manufacturing facilities in Belcamp with

the help of a DBED approved MEDAAF \$535,000 conditional loan. The loan will assist with upgrades and new equipment to the expanding company which, in turn, plans to add 25 hires to its existing workforce.

## 35 companies receive ExportMD grants

In FY14, DBED's Office of International Investment and Trade awarded 35 Maryland small businesses ExportMD grants to undertake their international initiatives, grow export sales and create jobs in Maryland. UAV Solutions, Inc. of Jessup, a leader in the manufacture, testing and design of unmanned systems, is using their \$5,000 grant to demonstrate a combined solution to Kenyan Wildlife Services, which is attempting to solve security issues surrounding poaching. Since 2012, 52 ExportMD grant recipients have reported over \$133 million in confirmed export sales.

## Win-win for Sephora and Harford County

Cancelling plans to relocate near a UPS hub in Kentucky, France-based cosmetic and skin care company Sephora is staying in Harford County. DBED and Harford County worked together to provide a \$1.1M finance package to meet Sephora's rapid expansion needs. The funding will support the retention of 410 jobs and induce the creation of 200 additional jobs, and assist in the purchase of a "build-to-suit" construction site for a new \$31M distribution warehouse.



“ Testimonial

# Sephora Americas

Marty Flaherty, Vice President, Distribution



We are thrilled to officially open our new distribution center and are tremendously grateful for our partnership with the **Department of Business & Economic Development** and the State of Maryland.



## BioMaryland *LIFE* Prizes award winners



Dr. Jonathan Powell, JHU



Dr. Eduardo Davila, UMB

### Targeted incentive to assist Charles County

DBED approved a \$250,000 MEDAAF grant to the Board of Charles County Commissioners to support the creation of a Targeted Industries Incentive Loan Fund to provide financial assistance to small businesses in Charles County. The loan fund will be used as an attraction and expansion tool for companies looking to relocate or expand in the county, targeting industries such as manufacturing and distribution, information technology and defense/federal contracting. Charles County is providing \$250,000 in matching funds.



### Edtech startup to triple its workforce

Catching the wave of Maryland's rapidly expanding education technology community, edtech startup Tales2Go relocated from Washington, D.C. to Bethesda with plans to triple its workforce by 2019—all made possible by a \$350,000 investment from the Maryland Venture Fund. Tales2Go streams thousands of name-brand audiobook titles from leading publishers to mobile devices in the classroom and is used in nearly 600 schools by 250,000 students nationwide.

## Partnering for Growth

### 2014 BioMaryland *LIFE* Prizes

Faculty researchers from the University of Maryland, Baltimore (UMB) and Johns Hopkins University (Hopkins) were recognized for their groundbreaking research and its impact on human health with 2014 BioMaryland *LIFE* (Leading Innovative Faculty Entrepreneur) awards. DBED presented the \$50,000 awards to Hopkins' Dr. Jonathan Powell to develop a new therapeutic agent for diabetes type II, and to UMB's Dr. Eduardo Davila for his T-cell based universal immunotherapy platform to fight cancer. Previous winners include University of Maryland's Dr. James Gammie, whose mitral valve repair technology was licensed recently to startup Harpoon Medical.

### Joint partnership benefits Opticul Diagnostics

BioMaryland Center joined with Medicen Paris Region and Bpifrance to co-fund an international commercialization project involving the development of a point-of-care device to detect bacteria in wounds and burns. Opticul Diagnostics of Rockville, Maryland and Diafir of Rennes, France were selected as the first two recipients to receive funds as the result of a partnership created at BIO International. This is the first jointly funded international project undertaken by the BioMaryland Center, which is part of DBED.

### India Business Center spurs FDI

Opening in Largo in October 2013, the new India Business Center (IBC) incubator welcomed three Indian companies—AB Digital, Karmick Solutions, and Creative Lipi Webtech—an outgrowth of meetings during the 2011 India business mission by the State of Maryland and Prince George's County. Developed as a partnership between DBED and the county Economic Development Corporation, the new international incubator expects to help more Indian companies open Maryland offices.





“ Testimonial

# Enterprise Consulting

Gloria Baer, President and CEO

**The Office of Military Affairs' exceptional assistance to our cybersecurity practice led to successful relationships and solutions benefiting our threat detection, data protection and analytic products.**



## Connecting businesses to MILCON opportunities

With the goal of increasing Maryland business participation in military construction (MILCON) projects, DBED's Office of Military Affairs organized and hosted several forums to connect Maryland businesses to over \$1 billion in MILCON contracting opportunities. Four events featured leadership from the Army Corps of Engineers Baltimore District and the Naval Facilities Engineering Command. Over 450 small business representatives participated and over 70 one-on-one meetings were facilitated with contracting officers.

## Advancing Maryland's UAS commercial industry

On December 30, 2013, Maryland became one of the Federal Aviation Administration's Unmanned Aerial System (UAS) test sites to integrate the UAS into the National Air Space System. The Mid-Atlantic Aviation Partnership (MAAP) was formed with Virginia and New Jersey, and includes academia and both public and private sectors. MAAP will facilitate UAS testing and promote economic development of the UAS industry in Maryland. The national economic impact of the commercial UAS market is an estimated \$13.6 billion in the first three years of integration.

## Procurement conference nets 241 interviews

DBED partnered with the National Cancer Institute (NCI) and other stakeholders to host a "Primes Meet Subs Procurement Conference" at the NCI Shady Grove Campus

in Rockville. The January conference featured 13 prime contractors who conducted 241 face-to-face interviews with 135 preselected subcontractors looking to secure various service contract opportunities valued at \$6 billion.

## EARN training program awards first grants

DBED played a critical support role establishing a new industry-driven workforce training program. Created in 2013, the Employment Advancement Right Now (EARN) program was implemented by the Department of Labor, Licensing & Regulation (DLLR). DBED worked with DLLR to identify potential industry partnerships which applied for EARN funds, and also assisted DLLR with the review and scoring of EARN applications. Grants were awarded to partnerships ranging from cybersecurity, biotechnology and health IT to clean energy, manufacturing and transportation and logistics.

## Eastern Shore manufacturer receives boost

A unique partnership between state, county and local governments on the Eastern Shore will assist a pharmaceutical manufacturer and others. Aphenia Pharma Solutions is slated to receive a \$134,000 state grant on the condition that it retains a minimum of 100 jobs in its location in the town of Easton for at least five years. The town is also providing a \$13,400 matching grant for the company, and both the town and Talbot County Council have agreed to abolish the town's personal property tax for all qualifying manufacturers.

# Marketing Maryland

In 2014, DBED marketed Maryland's outstanding business opportunities and resources via targeted paid search advertising and in print and online in media outlets such as *Inc. Magazine*, *Site Selection*, *Expansion Solutions*, *Global Trade*, and the *BBJ/WBJ* totalling 24.8 million impressions. The state's business advantages were showcased at 57 events nationwide and several overseas reaching a targeted business audience of 191,110. DBED's research experts serviced more than 300 requests for business intelligence and data on Maryland's economy including 13 economic impact analysis reports. Media Relations and Public Affairs efforts generated more than \$1.5 million in earned media in outlets like the *Wall Street Journal*, *Washington Post*, CNN and MSNBC.

## Business Outreach



### DBED's content marketing strategy ramps up

During FY14, groundwork was laid to build a more strategic content-driven marketing approach. The core of the strategy is providing relevant business information on the ChooseMaryland.org website, which was largely reorganized in FY14. Marketing efforts included providing businesses with industry reports, timely economic data, information about available resources, and business success stories from around the state. In addition to the website, information was distributed through the *MDBIZNews* blog, the new *Business Pulse* newsletter and DBED's social media outlets.



◀ **ChooseMaryland.org** The ChooseMaryland.org makeover included adding a fresh new design and reorganized and rewritten content to better align with the needs of the business community. The new site is mobile-friendly to offer an uncompromised experience for DBED's busy customers. The social media outlets were aligned and a strategy to organize content was put in place.

**Business Pulse** This amplified marketing strategy also included the creation of the new *Business Pulse* newsletter which highlights DBED's expertise in bio, cyber, manufacturing, military affairs, venture funding, global outreach, the Maryland economy and business assistance. Each monthly issue features four updates from these areas while continuing to showcase events, news stories, DBED resources and outreach.



**MDBIZNews blog** Thanks to a steady flow of valuable content related to Maryland's economy and business resources, the *MDBIZNews* blog published 250 posts generating 100,000 page views in FY14, its highest annual traffic on record. Nearly 80 videos were uploaded to DBED's YouTube account, producing 16,000 views. Content included monthly manufacturing features, offering a behind-the-scenes look at how Maryland makers are embracing new technology. Videos and blog posts also provided in-depth coverage of initiatives and events, ranging from the CyberMaryland Conference to the InvestMaryland Challenge.



## “ Testimonial

**DBED and BioMaryland Center's professional staff at BIO International 2014 was top class and gave GrayBug a wonderful opportunity to create greater awareness and to network.**

# GrayBug

Michael J. O'Rourke, President and CEO



## Advancing business connections

Throughout FY14, DBED Secretary Dominick Murray and Deputy Secretary Robert Walker attended various regional events to continue promoting Maryland as the best place to do business. Overall, the Secretary and Deputy Secretary participated in 69 speaking engagements, ranging in topic from cybersecurity to tourism, reaching a total audience of 7,320 attendees. Notable events included the International Aviation Forecast Summit, Maryland Arts Day, MACo Summer Conference, and 2014 BIO International Convention in San Diego, California.

## Media Relations promotes businesses

The Media Relations and Public Affairs unit promoted DBED's business wins through press outreach, including a \$30 million expansion of Volvo Group's Hagerstown manufacturing facility and Amazon's new distribution center in Baltimore City. The unit also provided media relations and event support for trade missions to Brazil and El Salvador, reached out to national and international media to promote Maryland's cyber security industry at RSA and life sciences industry at BIO 2014, and promoted key initiatives, like InvestMaryland, InvestMaryland Challenge, Advance Maryland and the Small-, Minority- and Women-Owned Business Fund.

## Beyond Borders



## BIO International Convention 2014

Innovation was the theme of the BioMaryland Pavilion at the BIO International Convention in San Diego this year. DBED created and produced the BioMaryland Pavilion with county and academic partners and Maryland companies. The BioMaryland Center invited eight startups to present their technologies in the booth and participate in partnering meetings. Maryland received valuable exposure to BIO's audience of 15,000 attendees from 60 countries. DBED also hosted a Maryland breakfast that brought together 50 company executives to network and share their successes.



## Maryland companies attend conference in Dubai

DBED and six Maryland companies attended the annual Arab Health Exhibition & Congress held in Dubai. DIMETEK, Tetracore, Red Bag Solutions, IOB Medical, BioElectronics, and Pevco joined over 3,500 exhibitors from around the world at the three-day conference. Two of the companies received ExportMD grants to help offset the cost of the show. U.S. Ambassador to the UAE Michael H. Corbin visited the Maryland booth and met with the exhibiting companies. The Middle East is one of the largest and fastest growing healthcare markets in the world, estimated at nearly \$80 billion per year.

## MEDICA: \$5.9M in export sales

The Office of International Investment and Trade and the BioMaryland Center attended MEDICA, the world's largest medical equipment show, in Dusseldorf. Four companies exhibited in the Maryland booth, including BioElectronics, Compass Languages, DIMETEK, and Tetracore. Total export sales as a result of MEDICA from this year and years past is approximately \$5.9 million.

## Seven Maryland companies attend Paris Air Show

DBED organized a trade and investment mission with Governor O'Malley to the Paris Air Show in 2013. Seven companies joined the Maryland delegation and booth, including: Gould Electronics, Industrial Machines, Man & Machine, Marine Air Supply, Perfect Parts, SURVICE Engineering, and Temple Allen Industries. Exports generated by the show were \$780,000.

## Doing Business in Africa Forum

DBED led a team of six partners to organize the Doing Business in Africa Global Trade forum on November 18, 2013. This full-day event presented Maryland companies with a unique opportunity to meet one-on-one with embassy representatives, learn about financing options relevant to projects in Africa, and interact with other companies in their specific sectors to learn about on-the-ground challenges and opportunities in this growing market. The event attracted over 200 participants, and drew the attention of Africa-focused media as well.

## Enhancing Maryland's Quality of Life

### A&E Districts attract visitors, support jobs

A study commissioned by the Maryland State Arts Council (MSAC) showcases the positive impact of Arts and Entertainment (A&E) Districts on the local economy. Released figures for FY13 detail that the districts collectively supported an estimated 5,144 new jobs that paid \$149 million in wages. New jobs, along with A&E District festivals and events, generated more than \$458 million in state gross domestic product and \$36 million in state and local tax revenue.

### Nonprofit arts a \$1 billion boost for Maryland

Maryland's nonprofit arts sector has a \$1 billion impact on the state's economy and supports 12,000 full-time equivalent jobs, according to a report from the Maryland



“Leonardtowntown in St. Mary’s County is Maryland’s newest Arts & Entertainment District, the first in Southern Maryland and one of 22 designated districts in 15 counties.”

# A&E Districts

Hannah Byron, Assistant Secretary, Tourism, Film and the Arts



“ Testimonial

# Maryland Heritage Area

Chris Haugh, Film Producer

**The Maryland Office of Tourism** helped secure funding for *Heart of the Civil War*, appearing on PBS channels nationwide, introducing viewers to the pivotal story of Maryland's Civil War Heritage Area.



State Arts Council. Economic Impact of the Arts in Maryland FY13 details how spending by the MSAC's 260 grantee arts organizations and their audiences boosts Maryland's economy by creating and retaining jobs while generating revenues for businesses and state and local governments.

## Star-Spangled Spectacular top ABA event

Star-Spangled Spectacular, a 10-day free festival celebrated the 200th birthday of the national anthem in September 2014, was the top U.S. event to visit on motorcoach or with a group in 2014 according to the American Bus Association (ABA). The ABA's Top 100 Events in North America serves as a guide for travel professionals and the general public when planning group tours and vacations.

## Two Scenic Byways films receive Emmys

National Capital Chesapeake Bay Chapter of the National Academy of Television Arts and Sciences recently announced its 55th Emmy Awards, and video productions about two of Maryland's National Scenic Byways have been recognized as the best in their categories.

- *Heart of the Civil War* won in the category of Documentary – Historical.
- *War of 1812 On The Chesapeake: Home of the Brave* won in the category of Chesapeake Heritage – Special.

Both projects were funded with grant awards from the Federal Highway Administration's National Scenic Byways Program. The money has been used for enhancing, interpreting and marketing Maryland's Byways.

Maryland Visitor Spending (\$ millions)	2013	2012	2011
Local Transportation	\$ 3,435.9	\$ 3,342.7	\$ 3,189.6
Food and Beverage	\$ 3,233.8	\$ 3,078.4	\$ 2,874.2
Lodging	\$ 2,864.2	\$ 2,888.6	\$ 2,721.2
Retail	\$ 2,303.5	\$ 2,204.3	\$ 2,086.8
Entertainment and Recreation	\$ 1,344.9	\$ 1,277.1	\$ 1,208.4
Air	\$ 1,585.4	\$ 1,536.3	\$ 1,533.3
Other	\$ 669.4	\$ 630.0	\$ 654.7
<b>TOTAL</b>	<b>\$ 15,437.1</b>	<b>\$ 14,957.5</b>	<b>\$ 14,268.2</b>

Source: Tourism Economics, an Oxford Economics company





## Maryland Folklife Archive opens at UMBC

Maryland's rich folklife traditions will now be preserved for generations to come through a partnership between University Maryland Baltimore County (UMBC) and the Maryland State Arts Council's Maryland Traditions Program. The collection includes stories of Maryland icons, such as Arabbers and watermen; photographs of Baltimore screen painters and Native American beadworkers; and recordings of African-American hymns and Appalachian songster Ola Belle Reed.

## Research & Tools



### New Data Explorer tool

After over a decade of service, DBED's online Comparisons system was finally retired in FY14. In its place is the new DBED Data Explorer, created for DBED by the Eastern Shore Regional GIS Cooperative (ESRGC) at Salisbury University. This new tool allows users to graphically explore data about Maryland's counties, compare Maryland to other states, and compare Maryland's major metropolitan areas to the other top 50 metro areas in the nation. Users have access to data on demographics, education, taxation, transportation, quality of life, and workforce issues.

### Marketing tools support sales teams

A variety of collateral materials were created to support sales teams as they met with companies one-on-one and marketed Maryland at events and conferences all over

the world. Publications such as industry fact sheets, the Maryland Venture Fund brochure and DBED's Financing Guide provide Maryland's business community with program details and strategic resources to maximize job creation and retention, leverage capital investment and encourage growth in targeted business sectors throughout the state.

### Research report studies financing incentives

As part of an effort to measure the effectiveness of incentive programs, the Research and Information Services unit produced its first legislatively mandated report under the Maryland Jobs Development Act of 2013. The report is a snapshot of one year of the department's major finance programs and tax incentive programs. It includes data on the number of jobs created, jobs retained, and other reported outcomes.

### Economic impact of MBE Program analyzed

DBED's Research and Information Services unit, in collaboration with the Governor's Office of Minority Affairs (GOMA), estimated total economic impacts resulting from procurement payments made through the Minority Business Enterprise (MBE) Program for FY13. Every \$1 million of state funds allocated to the MBE Program helped support a total of 14 full-time equivalent jobs and \$49,612 in state and local tax receipts throughout Maryland. The MBE Program generated a total of \$1.60 in total economic impact per dollar of state procurement expenditures.

### History goes high-tech

Bringing history into the high-tech world is the goal of the latest project of the Maryland War of 1812 Bicentennial Commission and Star-Spangled 200, Inc. when they jointly launched two web-based interpretive resource projects on February 18, 2014. Both KeyCam and War of 1812 Interactive Battlefield Maps were designed to promote, educate, and inform a wide audience about Francis Scott Key, significant War of 1812 battles in the Chesapeake region, and the upcoming 200th anniversary of the writing of the Star-Spangled Banner.

### Cyber and Manufacturing industry surveys

DBED partnered with the Schaefer Center for Public Policy at the University of Baltimore (UB) to create and field two surveys: one on advanced manufacturing and another on the employment needs of cybersecurity firms. Both surveys were created in-house with assistance from researchers at UB who telephoned thousands of companies over many months to collect the data DBED needed. Reports of the findings from both surveys are expected in early FY15.

# Investing in Innovation

## FY14 Actual Expenditures

<b>Office of the Secretary</b>	\$ 3,688,467
<b>Administration &amp; Technology</b>	4,700,399
<b>BioMaryland Center</b>	3,692,821
<b>Biotechnology Investment Tax Credit</b>	10,000,000
<b>Cybersecurity Investment Tax Credit</b>	2,000,000
<b>Maryland Venture Fund</b>	
Operations & Administration	1,306,401
Venture Fund Investments	<u>27,207,274</u>
	28,513,675
<b>Marketing &amp; Communications</b>	3,523,152
<b>Business &amp; Enterprise Development</b>	
Operations & Administration	15,534,199
Financing & Training Programs	<u>35,655,304</u>
	51,189,503
<b>Tourism, Film &amp; the Arts</b>	
Administration & Programs	1,298,252
Tourism Development	15,919,899
Maryland State Arts Council	<u>16,306,015</u>
	33,524,166
<b>DBED Total</b>	<b>\$140,832,183</b>

## FY14 Contract Awards and Procurement Activity

<b>Contract Awards – Minority Business Enterprises (MBE)*</b>	
Total value of contracts awarded to MBEs	\$ 2,568,010
Total value of all contracts awarded	\$ 11,169,057
MBE awards as percent of all contract awards	22.99%
<b>Procurement Activity – Small Business Reserve (SBR) Program**</b>	
Total procurement payments to SBR contractors	\$ 2,329,642
Total procurement payments	\$ 4,614,563
Payments to SBR contractors as percent of all payments	50.48%

Note: All procurement expenditures that are exempt from State reporting requirements are excluded from the above totals.

\*Includes Women Business Enterprises (WBE)

\*\*Preliminary results

## Tax Credit Highlights

### One Maryland (FY14)

- 4 Certificates of Eligibility issued
- \$18.1 million in project/startup costs
- 168 jobs created
- \$12.2 million payroll

### Job Creation (FY14)

- 8 Certificates of Eligibility issued to 6 companies
- 435 jobs created
- \$30.7 million payroll

### Research & Development (TY\*2012)

- 204 businesses certified
- \$1.2 billion in R&D expenses
- \$8 million in credits awarded

### Biotech Investment (FY14)

- 25 QMBCs\*\* assisted
- 147 investor applications approved
- \$9.9 million in tax credits issued
- \$20 million leveraged

### Enterprise Zone Program

- 30 Enterprise Zones
- 785 businesses to receive real property tax credits in FY14
- \$28.9 million in business real property tax credits FY14
- \$634,852 total income tax credits TY\*2010

\*Tax Year

\*\*Qualified Maryland Biotechnology Companies

For complete program reports, visit [ChooseMaryland.org](http://ChooseMaryland.org)

## Financial Assistance Projects Approved FY14

Seven finance programs facilitated 109 projects, retained 3,651 jobs, created 5,363 jobs and leveraged \$764.3 million in private capital investment.

	Projects	Loan/Grant Amount	Loan Guarantee Amount	Jobs Retained	Jobs Created	Total Project Costs
<b>MEDAAF</b>	25	\$16,864,861	n/a	2,279	3,467	\$468,681,694
<b>MIDFA</b>	8	\$30,293,500 *	\$6,336,238	574	212	\$ 58,666,500
<b>MSBDFA</b>	31	\$ 6,335,000 *	\$1,059,500	332	235	\$ 27,772,000
<b>MVF</b>	33	\$32,049,997	n/a	277	1,192	\$208,599,997
<b>MPVOLP</b>	8	\$ 345,000	n/a	69	65	\$ 624,000
<b>MEAF</b>	2	\$ 310,000	n/a	46	102	\$ 760,000
<b>CDBG</b>	3	\$ 1,110,000	n/a	75	100	\$ 12,022,000

\*Includes 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

**MVF** – Maryland Venture Fund

**MPVOLP** – Military Personnel and Veteran-Owned No-Interest Loan Program

**MEAF** – Maryland Economic Adjustment Fund

**CDBG** – Community Development Block Grant

### Additional Finance Programs:

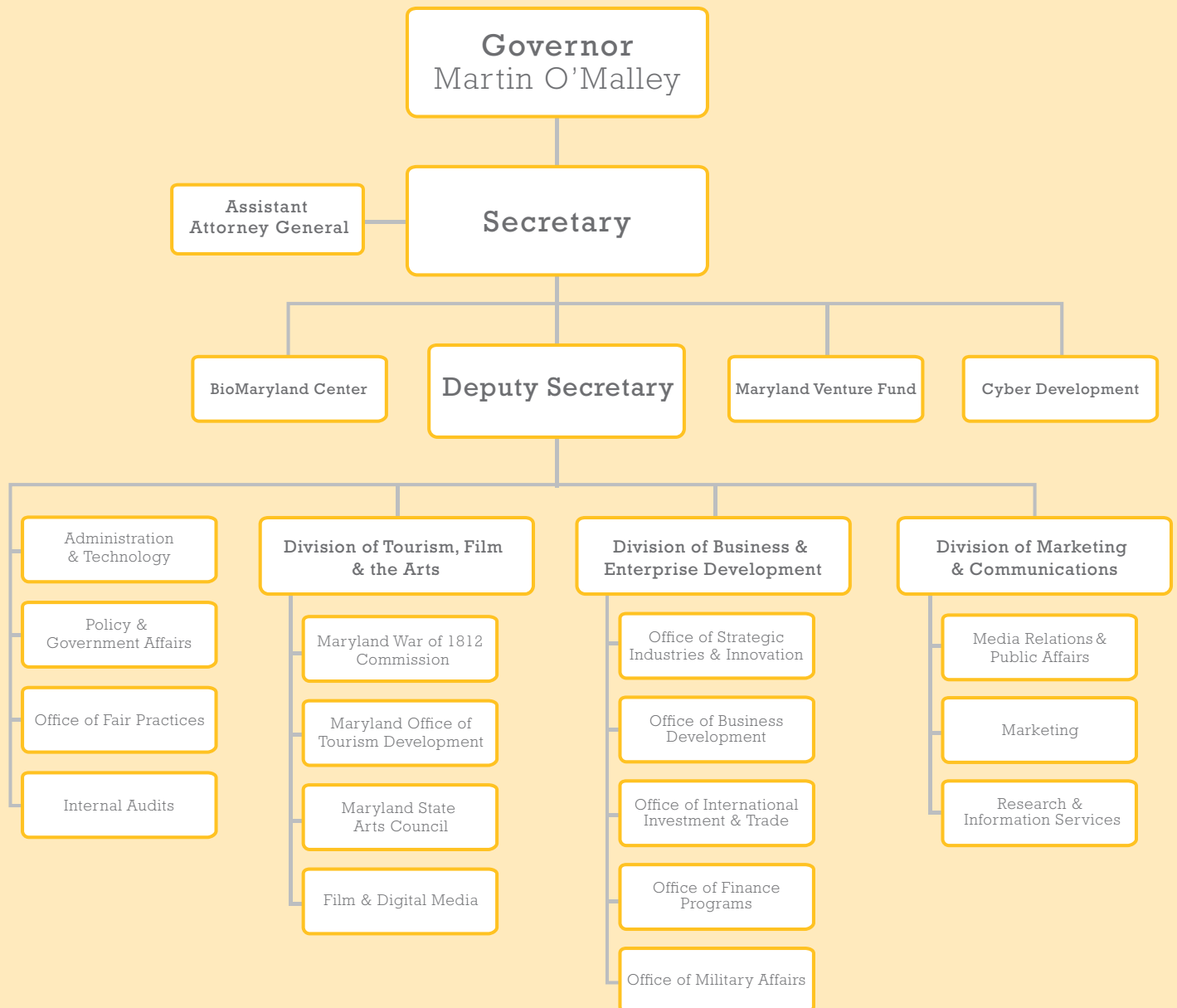
#### Maryland State Arts Council Grants FY14

- Individual Artists \$249,000
- Arts Organizations \$10,311,290
- County Arts Councils \$2,404,802

# Organizational Chart

With 218 full-time positions, the department is organized into four primary units: the Office of the Secretary, which includes the BioMaryland Center, the Office of Cyber Development, the Maryland Venture Fund, and several operational-support units; the Division of Business and Enterprise Development; the Division of Tourism, Film, and the Arts; and the Division of Marketing and Communications. For further information on each division and office, as well as for contact information for any of the agency's staff, please visit [ChooseMaryland.org](http://ChooseMaryland.org).

## Maryland Department of Business & Economic Development







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