Greetings,

Warm wishes for a happy new year! Economists are forecasting a good year for Maryland, with a drop in the unemployment rate by the end of the year, increased spending at wholesale stores and positive growth for businesses from new car sales to luxury goods. Harford County and the state of Maryland have many resources for businesses in growth mode. This month, we take a look at some of the funding options available and some of the reasons companies are choosing Harford County locations to do business.

To learn more about the resources mentioned in this newsletter or to become involved in EDAB activities, please visit the Harford County Office of Economic Development website at www.harfordbusiness.org.

Sincerely,

Eric McLauchlin
Chairman, EDAB

BUSINESS SPOTLIGHT

Banking and Finance Commission

The new Banking and Finance Commission, established by Harford County Executive David R. Craig in November, is designed to assist both county government and its business partners in finding ways to help improve business access to capital markets. The commission will study the regulatory banking practices that may be preventing businesses from accessing the capital they need to succeed in today's economy.

The 22-member commission, led by Former Delegate and State Senator Donald C. Fry, President & CEO, Greater Baltimore Committee, consists of representatives from the Harford County and Baltimore area banking industry, commercial and residential real estate businesses, area small and medium sized business owners, and the Harford County Office of Economic Development, which has taken the lead from a county perspective.

The commission has been examining the issues that are discouraging expansion in Harford County, which is otherwise experiencing tremendous growth. The issues include the effects of state regulation and federal law - specifically the 2,319-page Dodd-Frank bill. One example being examined is the plight faced by bankers who don't

LOCAL BUSINESSES FIND SOLID FINANCIAL FOUNDATION IN COUNTY

Choosing the right company location is a business in itself. Infrastructure, geography, work force and economic climate are just some of the considerations for a successful location. While BRAC has brought Harford County numerous new start-up companies and expansions, there is much more that makes the County attractive for businesses.

In today's economy, companies are looking for a place to build a sound financial foundation, despite the rocky land. They are looking for a state and local economy that make it easy to do business. Harford County is a perfect match. Its skilled regional workforce tops 1.6 million. It offers overnight access to one third of the nation's consumer base, proximity to the fourth and fifth wealthiest and largest metropolitan areas of Washington, DC and Baltimore, and access to more than 88 premiere research organizations, including Aberdeen Proving Ground.

In addition, Harford County-based businesses can work with the Office of Economic Development, which strives to be the catalyst for a strong financial base. OED partners with the state of Maryland on a variety of financial programs for all types of businesses. One of them is the Economic Development Opportunity Fund (EDOF).

The EDOF is one of the longest-running and successful local business enhancement programs. Designed to encourage new investment, redevelopment, business retention and job creation in all types of businesses, the EDOF complements traditional bank financing or other assistance programs with one-time, low, fixed-rate loans to for-profit businesses. EDOF recipients are businesses that will expand the local tax base and employment in Harford County, as well as help retain business, industry and jobs within the county.

Since its inception in 2002, EDOF has provided assistance to businesses across a wide range of industries. EDOF loans can be used for any legitimate business purpose, including leasehold improvements, property acquisition, construction or renovation, machinery and equipment or working capital. In general, the loan is limited to no more than 50 percent of the total project costs or $100,000, whichever is smaller. Each application is reviewed based on its merit and potential for capital expenditure and job creation.
Local, state and federal programs offer financial options to businesses of all sizes. The Office of Economic Development works closely with the business community to obtain the most appropriate financing programs.

**HARFORD COUNTY FINANCING PROGRAMS**

- **Economic Development Opportunity Fund**
  Encourages new investment, redevelopment, business retention and job creation in all types of businesses, the EDOF complements traditional bank financing or other assistance programs with one-time, low, fixed-rate loans to for-profit businesses.

- **Industrial Revenue Bonds for Manufacturers and 501(c) (3) Organizations**
  Tax exempt financing for the acquisition of land, buildings, and equipment. IRB Bonds are sold to lending institutions, investors and the public, and the IRB purchaser determines whether the interest rate is fixed or floating. Federal law limits the terms, amount and uses of financing.

- **Enterprise Loan Fund**
  A partnership with M&T Bank offers a 1/4% discount off standard interest rates to qualifying businesses located along Harford County’s U.S. Route 40 Corridor, including the Edgewood/Joppa and Greater Aberdeen/Havre de Grace Enterprise Zones, to refurbish or develop commercial property. Loan amounts range from $50,000 to $3,000,000.

- **Community Block Development Grant for Economic Development**
  Fosters development in industrial targeted areas and includes funding for water and sewer lines, rail service extension and construction and renovation of new and expanding businesses.

**STATE OF MD FINANCING PROGRAMS (through the Department of Business and Economic Development)**

- **Community Development Block Grant Program**
  A conditional grant dispersed to a local jurisdiction, then used for public improvements or loaned to a business.

- **Maryland Economic Adjustment Fund**
  Assists business entities in the state with modernization of manufacturing operations, development of commercial applications for technology, and exploring and entering new markets.

- **Maryland Small Business Development Financing Authority**
  Provides financing for small businesses that are not able to qualify for financing from private lending institutions or are owned by socially and economically disadvantaged persons.

- **Maryland Economic Development Assistance Authority and Fund**
  Provides assistance to the business community and political jurisdictions with five financing capabilities.

- **Maryland Industrial Development Financing Authority**
  Encourages private sector financing in economic development projects located in Priority Funding Areas.

- **Maryland Venture Fund**
  Makes direct investments in technology and life science companies and indirect investments in venture capital funds.

**FEDERAL FINANCING PROGRAMS (through the Small Business Administration)**

For larger Harford County projects, the EDOF loan program is complimented by the Maryland Economic Development Assistance Authority Fund (MEDAF), administered by the state agency Department of Business and Economic Development (DBED). MEDAF is used to attract new business to Maryland and retain existing businesses - a state priority. Governor O’Malley’s most recent budget proposal allocates a 25 percent increase in funding to MEDAF. Additionally, the funding level in his budget for biotechnology industry tax credits remained steady, despite cuts in other areas.

Local companies can also take advantage of the state’s newest business development program, InvestMaryland, which is intended to fuel venture capital investment in Maryland’s economy. The state says the program will help create thousands of jobs by revitalizing early-stage venture capital competition, raise Maryland’s R&D profile and be a catalyst for venture funding that will enhance the entrepreneurial culture.

With the innovative local programs, state support and its “sweet spot” location, companies can find a business-friendly climate in Harford County. For more information and financial applications, call the Office of Economic Development at 410-638-3059 or visit the local and state websites at [http://www.harfordbusiness.org](http://www.harfordbusiness.org/) and [http://www.choosemaryland.org](http://www.choosemaryland.org/).
The Economic Development Advisory Board consists of a number of subcommittees - including technology, workforce development, finance, tourism and land use - dedicated to the positive growth and economic development of Harford County.