

ECONOMIC DEVELOPMENT INCENTIVE FUND COMMISSION

Monday, December 16, 2019 - Revised

The meeting was called to order by Chairman Mike Whitehill at 9:01 a.m. in the County Commissioner Chambers, 107 N. Liberty Street, Centreville, MD. In addition to Chairman Whitehill, the following members were present: Bill Walmsley, Vice Chairman; Todd Mohn, County Administrator; Patrick Perry, and Tom Glen. Absent was Bill Walmsley. Staff present was Heather Tinelli, Economic & Tourism Development Director, and Jean Fabi, Economic Development Manager.

The agenda was accepted by the board. Ms. Fabi advised the board that there were corrections needed in the conditions of approval outlined on Page Two of the November Meeting Summary regarding the follow up meetings with SCORE and staff and the guarantee of the majority the majority owner rather than each partner. On a motion made by Mr. Perry, and seconded by Mr. Walmsley, the November meeting summary, as corrected, was approved by the Commission.

Department Update: Heather Tinelli advised the board that she and Jean Fabi have reviewed the EDIF agreements to date and they have been meeting with clients and resource partners, such as the Upper Shore Workforce Investment Board, Chamber and KNDF. The Department is aware of the impact that the bridge construction is having on local businesses and may have in the future as the construction progresses. Staff is reaching out to resource providers to explore and utilize any available assistance for the businesses. The Department is coordinating a meeting with the Assistant Secretary of the Department of Commerce, our local commerce representative, and the Governor's Eastern Shore Liaison to discuss the situation in partnership with the Chamber and KNDF. The department is committed to an ongoing effort to provide assistance to the local businesses impacted by the bridge construction.

Old Business:

A: Status of Pending Awards, Recipients and Applications: Ms. Fabi stated that the agreement with Ten Eyck Brewing Company is drafted. Ms. Sener has chosen to use the funding for the foeders and canning line. The draft agreement will be sent to the county attorney for review and drafting of the accompanying legal documents. Quarterly SCORE meetings with recipients are being scheduled for January 17 and 24. These meetings include Sudlersville Volunteer Fire Company, BlackWater Distilling, Roszell Coffee Roasters, SRR, LLC., and The EDGE Training Academy. Ms. Fabi has been in touch with Corsica Technologies concerning the project and final disbursement. The project is scheduled for completion in mid-January and Sean Meenan, Comptroller, will be scheduling a tour for the EDIf board. Sudlersville Volunteer Fire Company has received four awards for the laundromat project and has leverage the EDIF investment of \$40,000 for \$200,000 +/- to date. The next phase is the cafeteria renovation into a commercial kitchen and prospective lease to a preschool. Third quarter employment

reports were submitted and the majority of recipients are on track to meet employment requirements. Ms. Fabi stated that she has been working with MidAtlantic Microbials on the consolidation and conversion of its two awards into one monthly loan since the EDIF approved it last spring. The matter was discussed further and the board voted, on a motion made by Mr. Walmsley and seconded by Mr. Perry, to turn the matter over to the county attorney for further legal action. Ms. Fabi updated the board on the progress with Authentik Solutions and the board advised that a letter be sent to the company regarding the requirement to submit the employment reports to be in good standing on the modified agreement.

B: Review of Budget: Ms. Tinelli provided the board with an overview of the budget and discussed future funding for the program. The current balance of the EDIF fund is \$170,833. The amount of funding remaining in the BRIDGE program is \$85,680. The board discussed the need for dedicated annual funding. The average amount awarded in the last two calendar years was approximately \$350,000. The board discussed setting a maximum award amount in order to establish a budget for the program. The average award is approximately \$50,000. The board wants to submit a budget request for funding in the next fiscal year. Staff will be preparing information to submit with the budget request to show the return on investment of the program to date.

New Business:

A. Proposed loan criteria and loan process: Ms. Tinelli presented the board with an overview of proposed revisions to the program guidelines and policy for discussion with the board. The board agreed that the industries that are primary focus for the program are: Agriculture, Aquaculture, and Food Science; Health Care; Small-Scale Manufacturing; Technology and Tourism. The board discussed job creation and wages relative to funding consideration. The board discussed job creation and salary rates relative to project funding. Projects that included salaries that are 150% of minimum wage would be preferred but not required. The board discussed maximum loan amounts and set a maximum award of \$50,000 with a special exception for a project that demonstrates significant economic impact. It was clarified that allowable uses for funding includes fixed assets, but not working capital. Staff and the board reviewed the loan process. Staff discussed that the SBDC is also a resource partner to vet applicants and for referrals in addition to SCORE. Reporting requirements should also include full financials to enable the tracking of sales. Ms. Tinelli stated that a marketing plan for the EDIF program is being developed to include videos, an updated web page with online fillable application, and printed material with clear loan criteria.

Adjournment: On a motion made by Mr. Glen and seconded by Mr. Perry, the meeting was adjourned at 10:20 a.m.

Prepared by Jean Fabi, Economic Development Manager on 12/16/19.