

ECONOMIC DEVELOPMENT INCENTIVE FUND COMMISSION

Meeting Summary for April 15, 2019

The April 15, 2019 meeting was called to order by Chairman Mike Whitehill at 9:00 a.m. in the County Commissioner Chambers, 107 N. Liberty Street, Centreville, MD. In addition to Chairman Whitehill, the following members were present: Todd Mohn, County Administrator, Bill Walmsley, Patrick Perry and Tom Glen. Staff present was Jean Fabi, Economic Development Manager, and Danielle Dutra, Administrative Assistant.

On a motion made by Mr. Walmsley, and seconded by Mr. Mohn, the meeting agenda and the March minutes were approved by the Commission.

Introduction of New Members: The County Commissioners have appointed two new members to the Economic Development Incentive Fund Commission, Patrick Perry and Thomas Glen. Both residents of Queen Anne's County, Patrick is currently employed as a Financial Advisor/Business Consultant and Thomas is recently retired from Honeywell International where he was the Director of Federal Sales. Both members will hold a two year term expiring May 31, 2021

Department Update: Due to time constrictions of a member present, the department update was deferred to allow enough time to hear the Communications Electronics Systems presentation.

Old Business:

A. Budget Update: The County Commissioners recently approved a transfer of funds in the amount of \$288,000 from the BRIDGE Program Fund to the Economic Development Incentive Fund.

B. Status of Pending Awards and Recipients: The \$208,063 award for Corsica Technologies was approved by the County Commissioners. Corsica Technologies is currently reviewing their contract. SRR Holdings has received their second disbursement of \$20,052; the remaining monies will not be disbursed until SRR Holdings obtains their Certificate of Occupancy. The contract for Kent Narrows Marine Boatel has been signed by Mr. Schulz, Mr. Marsh and Mr. Kogok. They have yet to move forward with their disbursement of funds. Quarterly employment reports are due today, 4/15. Both Hydrasearch and PRS Guitars have met their quarterly employment goals. The Edge appears to be on track to meeting its employment goals with 9 current employees. Open Seas Coffee, The Edge, and Cult Classic Brewing have upcoming quarterly meetings scheduled with SCORE.

Adjournment: On a motion made by Mr. Mohn and seconded by Mr. Walmsley, the regular Commission meeting was adjourned at 9:17 a.m. for the purpose of holding an Executive Session.

Executive Session

An Executive Session, for the purpose of discussing financial matters, was called to order at 9:17 a.m. on a motion made by Mr. Mohn and seconded by Mr. Walmsley. Tom Steg, President of Communications Electronics Systems, presented a request for EDIF funding for an expansion project. The executive session was adjourned at 10:08 a.m.

The Public hearing was reconvened at 10:09 a.m.

New Business:

A. Communications Electronics Systems Request for Funding: Tom Steg, President of Communications Electronics Systems presented to the Commission on behalf of a request for funding to expand its sales and engineering office and related equipment which will allow them to hire additional technical resources to engineer, install, and maintain larger opportunities. The company is relocating to a larger facility at 101 Log Canoe Circle, Suite G, Stevensville. The total

project is valued at \$157,000. Communications Electronic Systems has requested a total of \$30,000.00 from the EDIF. At the completion of their expansion, Communications Electronics Systems projects creating 15-20 new jobs.

On a motion made by Mr. Perry and seconded by Mr. Glen, the EDIF Commission voted to send a recommendation to the County Commissioners to approve a conditional loan in the amount of up to \$30,000.00 for the purpose of purchasing equipment and furnishings to support the expansion of the sales and engineer office in accordance with the EDIF program guidelines and with the following conditions:

1. The Company agrees to create of a minimum of ten (10) new full-time jobs, within three (3) years from the date of final disbursement of funds; and
2. The Company agrees to provide guarantees and security for the conditional loan; and
3. The Company uses its best efforts to hire Queen Anne's County residents for new and open positions at the Facility, and
4. The Company will partner with the Maryland Department of Labor and Chesapeake College to assist in recruiting employees; and
5. The Company shall provide a use of funds/project summary report to the EDIF upon completion of the Project; and
6. The Company is required to meet with a representative from the Department of Economic and Tourism Development semi-annually for the duration of the agreement and meet employment reporting requirements; and
7. The Company must remain located in and in full operation at the site for a minimum of five (5) years from the date of final disbursement of funds and maintain the required employment level from year 3 to year 5 of the agreement.

Ms. Fabi stated the EDIF Commission's recommendation will be forwarded to the County Commissioners who will have final approval on the disbursement of funds at the next regularly scheduled meeting. Should the funding be approved, Ms. Fabi will work with the County Attorney to draw up the Agreement and accompanying documents.

B: Wood Ingenuity Request: The EDIF has received a written request from David Boyle, Vice President of Wood Ingenuity, LLC requesting that the annual loan payment of \$10,000.00 due on July 1, 2019 be waived. In 2015, Wood Ingenuity received an EDIF conditional loan of \$40,000 with the stipulation that 3 full-time jobs would be created. To date, no full-time jobs have been created in accordance with the agreement and the company has repaid \$10,000 (correction from \$20,000). The EDIF Commission discussed the request and determined that additional information is needed before any action would be taken. Ms. Fabi will contact the company and request additional information and a business plan. The Commission has agreed to a presentation from Wood Ingenuity at its regularly scheduled meeting in May if necessary.

C: Review of Updated Application Form: The Queen Anne's County Economic Development Incentive Fund application was reviewed with the members present. Mr. Glen made suggestions for Section 5: Workforce and Job Creation. Suggestions include asking "what is the recruitment plan?" and "what is your training plan?" Mr. Perry suggested that Section 9: Signatures and Certification be signed as an affidavit.

Adjournment: On a motion made by Mr. Glen and seconded by Mr. Mohn, the meeting was adjourned at 10:41 a.m.