

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

SUMMARY

The Department of Business and Economic Development's (DBED) mission is to stimulate and strengthen the Maryland economy. To this end, the Department develops policies and implements programs that facilitate the creation and retention of jobs, the formation and expansion of businesses, the development of export trade, and the growth of tourism.

DBED has consolidated its capital funded programs into the Maryland Economic Development Assistance Authority and Fund (MEDAAF). Within MEDAAF there are five funding capabilities.

1. Significant Strategic Economic Development Opportunities – These are projects that will provide a significant economic development opportunity on a statewide or regional level. An example would be an expansion by the Black and Decker Corporation.
2. Local Economic Development Opportunities – These are projects that provide a valuable economic opportunity to the jurisdiction and is a priority of that jurisdiction. An example would be to attract an out-of-state company to locate in the jurisdiction.
3. Direct Assistance to Local Jurisdictions or MEDCO – This is financial assistance to a local jurisdiction for local economic development needs. An example of eligible projects would include infrastructure improvements, acquisitions, and roads and utilities.
4. Regional or Local Revolving Loan Fund – This fund provides grants to local jurisdictions to help capitalize local revolving loan funds.
5. Special Purpose Loans – These are loans to target specific funding initiatives deemed critical to the State's economic health and development. An example would be the Brownfield Revitalization Incentive Program.

The One Maryland Program, which provided loans to economically distressed jurisdictions to encourage economic development projects, will sunset on June 1, 2004. Beginning in FY 2005, this capability will be provided through MEDAAF.

CHANGES TO FY 2004 - FY 2008 CAPITAL IMPROVEMENT PROGRAM

Changes to FY 2005

Additions:

None

Deletions:

None

Major Changes:

Beginning in FY 2005, the following programs, which do not generally result in capital improvements, will receive appropriations in the Operating Budget: Contract Financing Program, Equity Participation Investment Program, Surety Bond Program, Guaranty Fund Program, MIDFA Bond Insurance Program, The Enterprise Investment Fund, Maryland Economic Adjustment Fund, Maryland Competitive Advantage Financing Fund, and the Economic Development Opportunities Program Fund.

Changes to FY 2006 - FY 2008

None

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**FY 2005 - FY 2009 Capital Improvement Program
Grants and Loans**

Budget Code: TF0023

Maryland Economic Development Assistance Fund (Statewide) FY 2005 Total **\$26,750**

The Maryland Economic Development Assistance Fund provides loans, grants, conditional loans, conditional grants, and direct investment to subdivisions and specific growth industry sector businesses locating or expanding in a priority funding area. Funds may be used for current business needs including property acquisition, construction or renovation of buildings, including leasehold improvements, and capital equipment.

<u>Source</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>TOTAL</u>
GO Bonds	15,000	15,000	17,000	19,000	19,000	85,000
SF	11,750	11,750	10,500	10,500	11,000	55,500
TOTAL	26,750	26,750	27,500	29,500	30,000	140,500

Fund Summary

	<u>FY 2003 Actual</u>	<u>FY 2004 Estimated</u>	<u>FY 2005 Estimated</u>
Beginning Balance	28,890	13,558	876
REVENUE			
General Funds	2,000	-	-
General Obligation Bonds	-	-	15,000
Investment Income	863	102	119
Loan Interest and Repayments	12,258	11,153	13,396
Other Income	37	2	2
Transfer Out	* (4,000)	-	-
TOTAL REVENUE	11,158	11,257	28,517
TOTAL AVAILABLE	40,048	24,815	29,393
EXPENDITURES/ENCUMBRANCES			
New Loans and Grants	26,815	28,000	33,000
Cancelled Encumbrances	(2,209)	(6,000)	(6,250)
Operating Expenses	571	578	741
Indirect Expenses	1,313	1,361	1,413
TOTAL EXPENDITURES/ENCUMBRANCES	26,490	23,939	28,904
Ending Balance	13,558	876	489

* Transfer to State General Fund for cost containment.

Total Program - Department of Business and Economic Development

<u>Source</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>TOTAL</u>
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All dollars are displayed in thousands.