



Larry Hogan | Governor
Boyd Rutherford | Lt. Governor
R. Michael Gill | Secretary of Commerce
Benjamin H. Wu | Deputy Secretary of Commerce

October 22, 2015

Ms. Sheila McDonald
Executive Secretary
Board of Public Works
80 Calvert Street
Annapolis, MD 21401

Dear Executive Secretary McDonald:

Per Memorandum of Understanding between the Board of Public Works (BPW) and the Department of Business and Economic Development, now the Maryland Department of Commerce (Commerce), effective August 22, 2012, designating Commerce to manage the Small, Minority, and Women-Owned Businesses Account (Account) on BPW's behalf, enclosed is the required Annual Report detailing the Program activity for the Account.

If you have any questions regarding the enclosed report, please contact Ms. Darla Garrett, Program Manager, Office of Finance Programs, Department of Commerce, at (410) 767-6963 or email at darla.garrett@maryland.gov.

Sincerely,

R. Michael Gill
Secretary

Enclosure

cc: Mr. D. Gregory Cole, Senior Director, Office of Finance Programs,
Department of Commerce
Ms. Darla Garrett, Program Manager, Office of Finance Programs,
Department of Commerce

**SMALL, MINORITY, AND WOMEN-OWNED BUSINESS INVESTMENT ACCOUNT-
VIDEO LOTTERY TERMINAL (VLT)**

**ANNUAL FINANCIAL STATUS REPORT
STATE GOVERNMENT ARTICLE**

TITLE 9, SUBTITLE 1A-35

Submitted by:

**The Maryland Department of Commerce
(Commerce)**

As of June 30, 2015

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History and Program Description

Article XIX of the Maryland Constitution authorizes video lottery terminals (VLTs) to fund education. This provision was enacted pursuant to Chapter 5, Acts of the 2007 Special Session and ratified by Maryland voters in the November 2008 General Election. As a result, Chapter 4, Acts of the 2007 Special Session also became effective and established the Small, Minority, and Women-Owned Business Account (Account) under the Authority of the Board of Public Works (BPW).¹

State Government Article §9-1A-27 requires that 1.5 percent of the proceeds of VLT at each video lottery facility be paid into the Account. State Government Article §9-1A-35 requires BPW to make grants to eligible fund managers to provide investment capital and loans to small, minority, and women-owned businesses in the State, of which at least 50 percent must be allocated to such businesses in the jurisdictions and communities surrounding a video lottery facility. BPW designated the Maryland Department of Commerce (Commerce), formerly the Maryland Department of Business and Economic Development, to manage the Account on their behalf, through a Memorandum of Understanding dated August 22, 2012.

Licenses were awarded to operate VLT casinos in Cecil, Worcester, Anne Arundel, and Allegany Counties and Baltimore City. The casinos in Cecil, Worcester, and Anne Arundel Counties began VLT gaming operations on September 27, 2010, January 4, 2011, and June 6, 2012, respectively. VLT gaming operations opened in Allegany County at the Rocky Gap Resort in May of 2013. The Baltimore VLT facility opened in August of 2014. The Account began receiving funds during fiscal year 2011 when the first VLT facility began gaming operations.

On April 17, 2013, the BPW approved the award to three fund managers, Anne Arundel Economic Development Corporation (AAEDC), awarded \$3.3 million; Maryland Capital Enterprises (MCE), awarded \$1.0 million; and Meridian Management Group (MMG), awarded \$3.5 million will oversee the distribution of funds from the Account. Fund Managers contracts were executed on May 1, 2013.

On June 18, 2014, the BPW approved a second round of funding to six Fund Managers, two existing, and four new. Funds were awarded as follows: AAEDC, awarded \$2.0 million; MMG, awarded \$2.0 million; Baltimore County Department of Economic and Workforce Development (DEWD), awarded \$1.5 million; Baltimore Development Corporation (BDC), awarded \$1.0 million; Howard County Economic Development Authority (HCEDA), awarded \$1.5 million; and Tri County Council of Western Maryland (TCCWMD), awarded \$1.1 million. While MCE did not receive funds in this round, they still remain an active Fund Manager and continue to make loans with existing funds.

A summary of Account activity through June 30, 2015 is presented below. Revenues into the Account were \$9.9 million, with disbursements from the Account for Fund Managers and

¹ See also State Government Article §9-1A-35

administrative expenses of \$8.5 million. Remaining encumbrance of \$12.7 million represent prior and new Fund Manager encumbrances. The available balance at June 30, 2015 was 1.0 million.

Small, Minority, and Women-Owned Business Account		
FY 2015 Revenues		
08/08/14		766,744.19
09/09/14		849,472.12
10/09/14		790,966.41
11/06/14		826,672.82
12/08/14		830,921.97
01/07/15		799,782.82
02/09/15		804,129.50
03/10/15		781,298.80
04/09/15		859,746.98
05/07/15		835,606.80
06/08/15		928,641.16
06/31/15		866,787.70
Total		9,940,771.27
FY 2015 Disbursements		
11/25/14		995,816.34
03/02/15		1,767,773.84
04/30/15		3,465,259.83
06/26/15		98,696.19
6/31/15		2,214,360.27
6/31/15		1,303.81
Total		8,543,210.28
Ending Balance (State Account)		13,877,004.01
Encumbrances as of 6/30/15		12,778,989.72
Available funds (as of 6/30/15)		1,098,014.29

The proposed budget for Fiscal Year 2016 is \$11.1 million, and will be disbursed to seven fund managers: AAEDC (\$1.8 million), MCBIF (\$2.1 million), MCE (\$1.0 million), DEWD (\$1.6 million), BDC (\$1.7 million), HCEDA (\$1.7 million), and TCCWDM (\$1.0 million).

As the designated administrator of the VLT Program, Commerce has collected and reviewed the Fund Managers' activity from July 1, 2014 through June 30, 2015 and is satisfied with the information submitted. Below is a presentation of each Fund Manager's activity along with a listing of VLT transaction and disbursement activity.

FUND MANAGER ACTIVITY

Anne Arundel County Economic Development Corporation VOLT (AAEDC)

The mission of the AAEDC is to support business and serve as a catalyst for business growth in Anne Arundel County thereby increasing job opportunities, expanding the tax base and improving quality of life.

By providing investment and technical assistance and fostering community revitalization initiatives, the AAEDC plays a vital role in enhancing commercial districts, improving county infrastructure, increasing agriculture-based business and promoting high-value business sectors such as technology and national security.

To accomplish its mission, AAEDC:

- Recruits new businesses to locate in Anne Arundel County and assists in the expansion of existing businesses
- Anticipates and addresses workforce development needs of the county's business community
- Promotes Anne Arundel County as a premier location for business
- Provides advocacy for Anne Arundel County businesses undergoing the regulatory and approval process
- Provides financing assistance to county businesses
- Incentivizes redevelopment and revitalization along older commercial corridors
- Promotes technology development and attracts start-up ventures through Anne Arundel County's technology incubator, the Chesapeake Innovation Centre
- Promotes agriculture development and expands markets for agri-business

The VOLT Fund Loan Program: Businesses in Maryland may qualify for a loan of between \$25,000 to \$500,000 for expenses such as business and commercial real estate acquisition and expansion, leasehold improvements, equipment and vehicle purchase, and working capital.

Program Performance Since Inception to June 30, 2014

In May of 2013, Commerce contracted the management of \$3,360,000 to AAEDC. This contract was amended on July 1, 2014 for an additional \$2,000,000 in funding for a total of \$5,360,000 under management.

Since May 1, 2013, thirty-four (34) applications were approved for financing totaling \$4,825,000. Of these applications, nine (9) loans in the amount \$1,650,000 were loans with equity features and twenty-five (25) loans for \$3,175,000 were conventional loans. Thirty-one (31) loans settled for \$4,327,000. Economic impact of all approved transactions is 171 retained jobs, 174 created jobs, and total project costs of \$13,168,210. Of the closed loans, 59.80% of total dollars were within the targeted areas of the four (4) existing VLT facilities (Maryland Live Casino in Anne Arundel County, Ocean Downs in Worcester, Hollywood Casino in Perryville, and

Horseshoe Casino in Baltimore City) at the time the original Request for Proposal (RFP) was issued. All approved loans were to small businesses, 35.94% were woman owned businesses, 33.97% were minority owned businesses, 12.62% were veteran owned businesses, and 62.42% were a woman, minority or veteran owned business. All closed loans are currently paying as agreed.

For the fiscal year ending June 30, 2015, twelve (12) applications were approved for financing totaling \$1,683,000. Of these applications, four (4) loans in the amount \$600,000 were loans with equity features and eight (8) loans for \$1,083,000 were conventional loans. Ten (10) loans settled for \$1,335,000. All closed loans were to small businesses, 30.71% were woman owned businesses, 29.96% were minority owned businesses, and 49.44% were a woman or minority owned business.

In the first fiscal year, income of the fund included fees and total interest of \$54,874.76. Expenses for the fund totaled \$301,316.20. In the second fiscal year, income of the fund included fees and total interest of \$85,367.38. Expenses for the fund totaled \$308,298.11. Major expense categories in both years were legal, marketing, sponsorships, and salary expenses.

To date, all the accounts in the portfolio are performing satisfactory with no accounts greater than 90 days past due, no transactions in default, and no charge offs.

MBE Participation

In the fiscal year ending June 30, 2015, AAEDC spent \$12,131.76 with MBE subcontractors. A total of \$9,973.05 was paid to McKennon, Shelton and Henn for legal expenses and \$2,158.71 was paid to Integrity Title and Escrow for title services. There are no further MBE requirements.

Marketing Outreach Efforts

To promote the VOLT Fund's second allotment of \$2,000,000, AAEDC implemented a strong media relations and marketing plan. AAEDC engaged reporters with local media outlets, particularly business journalists, on the VOLT Fund's impact on Maryland's small business community. Earned media accomplishments include stories in May 2014, one by Jean Marbella of the Baltimore Sun and another by Sara Blumberg of WMAR/ABC 2, on the use of casino revenue for VLT loan programs and a story on the VOLT Fund in July 2014 by Sarah Gantz of the Baltimore Business Journal.

AAEDC also sponsored and participated in numerous events to market the VOLT Fund. On June 17, 2014, the AAEDC and the Chesapeake Innovation Center hosted a breakfast workshop for tech startups interested in applying for the 2014-15 VOLT Fund Tech round. AAEDC staff participated in more than 30 events in fiscal year 2015 to present on or promote the VOLT Fund.

Also to highlight the VOLT Fund, AAEDC entered into sponsorships of a variety of business organizations such as the Maryland Washington Minority Companies Association (MWMCA), both the Maryland Mid-Atlantic Hispanic Chambers of Commerce, and local chambers such as Ocean Pines, Greater Crofton, Annapolis Anne Arundel, West County, North County and Greater Severna Park and Arnold. To promote the VOLT Tech application round specifically,

AAEDC sponsored the Technically Baltimore blog. AAEDC received approximately 100 VOLT Fund applications in the past fiscal year and over 200 applications since becoming a fund manager in May of 2013.

Marketing Outreach Efforts FY 2016

On June 24, 2015, Commerce announced that AAEDC was approved for \$1,850,000 to distribute through AAEDC's VOLT Fund. To promote the availability of this latest allocation of funds, AAEDC will employ a four-pronged marketing plan.

AAEDC will host informational events, one in Anne Arundel County and another on the Eastern Shore as well as an informational workshop for tech entrepreneurs/start-ups to kick-off the VOLT Fund Tech application round.

The plan will also have a strong digital marketing component. AAEDC will conduct several rounds of email promotions to its internal email list as well as those of the Chesapeake Innovation Center and the Anne Arundel County procurement and MBE offices. AAEDC will also employ digital ads that geo-target small and minority, women, and veteran-owned businesses in Maryland, particularly in Anne Arundel County and on the Eastern Shore as well as tech entrepreneurs.

As in past years, the VOLT Fund marketing plan will include a heavy media relations component. AAEDC staff will seek out earned media opportunities and continuously pitch to media outlets particularly print and radio news on the Eastern Shore - the Star Democrat and the Daily Times and WICO/1320 AM - and outlets that may have a significant minority business audience such as the Afro newspaper and the Baltimore Times. Online media that may be included in the marketing plan include Delmarvallow.com, DCInno.com, Technically Baltimore and DCmilitary.com.

AAEDC will continue to promote the program through targeted sponsorships, particularly those organizations representing minority business constituencies such as the Maryland Governor's Office on Minority Affairs, both the Maryland and Mid-Atlantic Hispanic Chambers of Commerce, and the Southern Maryland Black Chamber of Commerce.

Fund Balance

Under the first round of VLT funding, AAEDC was allocated \$3,360,000 from the VLT fund. A total of \$3,092,000 was allocated to loans and \$268,000 to the upfront expense fee. As of 6/30/2014, the AAEDC closed twenty-one (21) loans for \$2,992,000, leaving \$100,000 of AAEDC's first round allocation for use, which was dispersed on 11/20/2014. As of 6/30/2014, \$268,000 of the upfront expense fee had been requested with \$268,000 received. AAEDC was approved for \$2,000,000 in new funding under the second round of VLT funding. AAEDC had a total of \$655,000 in new loan availability as of 6/30/2015.

Future Deployment of Funds

The current pipeline for conventional loans consists of six (6) applications for \$655,000. These applications are in various stages of the underwriting process. The waiting list for the loans with equity features is twenty-eight (28) potential candidates. There is a planned allocation of \$750,000 for loans with equity features. The AAEDC anticipates closing \$2,000,000 in loans within the next fiscal year. AAEDC anticipates that at a \$2,000,000 funding level, approximately twelve (12) transactions would be approved and closed. The loans would be deployed in a similar fashion to previously approved/closed transactions. The format of the lending is further described in AAEDC's original response to the RFP issued December 14, 2012.

MMG Maryland Business Casino Investment Fund (MCBIF)

MMG is a fund manager whose family of funds has the capital and expertise to invest in small, minority, and women-owned businesses. MMG is a multi-faceted fund management company that is focused on serving the underserved and strengthening Maryland's economic base through the growth and development of small, minority and women-owned businesses. MMG was awarded \$3.5 million of the initial VLT Fund Pool. MMG will manage and invest the capital into businesses located within the Targeted Areas and throughout the State of Maryland. The name MMG has chosen for the fund is the Maryland Casino Business Investment Fund ("MCBIF"). The management of MCBIF includes:

- Providing marketing to generate deal flow for MCBIF
- Providing the underwriting, approval and closing on loan and investment transactions
- Responsibility for the receipt and collection of all loan and investment payments
- Processing loan and investment disbursement requests
- Managing the portfolio of loans and investments made by MCBIF
- Provide required fund performance reporting documents to Commerce

The purpose of the MCBIF program is to provide access to capital for small businesses, minority owned businesses, women owned businesses and veteran owned businesses (Targeted Businesses) in Maryland. MCBIF's geographic focus is in areas which are in the designated radius (designated by zip code) of casino facilities. However, Targeted Businesses outside of the designated radius of casino facilities are also eligible for assistance. MCBIF will provide affordable and flexible financing to assist in the acquisition of businesses, equipment, owner-occupied commercial real estate, vehicles, furniture/fixtures, and lease hold improvements. It will also provide working capital assistance for maintaining and improving business cash flow; marketing; adding personnel; inventory expansion; and obtaining professional consulting assistance. In addition, it will refinance existing debt under certain circumstances.

Program Performance Since Inception to June 30, 2014

On May 1, 2013, Commerce contracted the management of \$3,500,000 of the VLT Pool to MMG and an additional \$2,000,000 in July 7, 2014.

MMG collaborated with Prince George's Financial Services Corporation (FSC First) to provide assistance in management of the MCBIF portfolio, micro loan administration and preparation of MCBIF reporting documents.

To date, there is one account over 90 days past due and one account in default for \$23,345.21.

Approved Transactions

Since the inception of the fund from May 1, 2013 through June 30, 2015, forty-eight (48) transactions were approved totaling \$6,887,500. There were twenty-five (25) approved transactions totaling \$3,792,500 located in the Targeted Areas and twenty-three (23) transactions totaling \$3,095,000 outside of the targeted areas.

Settled Transactions

Since the inception of the fund from May 1, 2013 through June 30, 2015, forty (40) transactions were settled totaling \$5,229,802. There were twenty-three (23) settled transactions in the Targeted Areas totaling \$3,484,802 and seventeen (17) settled transactions outside of the Targeted Areas totaling \$1,745,000.

Pipeline Applications Pending Approval

As of June 30, 2015, there were seven (7) applications pending approval totaling \$809,000.

Deals Pending Closing

As of June 30, 2015, MCBIF had two (2) transactions totaling \$133,000 pending closing. In May of 2013, Commerce contracted the management of \$3,500,000 to MMG.

Fund Balance and Income

As of June 30, 2015, the fund balance was \$4,895,675; interest earned was \$136,430; fees earned were \$17,335, and expenses related to the operation of the Fund were \$355,049.

MBE Participation

Commerce confirmed via email on August 14, 2014, that MMG had expended the full amount of the expense fund and met the MBE goal of 14% of that amount; and reporting for MBE usage was no longer required for the contract. MMG's MBE goal was 16.61%.

Marketing Outreach Efforts

During the period, MMG sponsored two (2) MCBIF events (“Money Tour”). The first Money Tour was a two-day event from Sept 17-18, 2014 on the Eastern Shore at Wor-Wic Community College and Chesapeake College in collaboration with the Eastern Shore Entrepreneurship Center, the Mid-Shore Regional Council, and the Tri-County Council of the Lower Eastern Shore of Maryland. The second Money Tour was held on October 29, 2014 in Prince George’s County in collaboration with the Prince George’s County Supplier Development & Diversity Division and FSC First.

In addition, from July 1, 2014 through June 30, 2015, MMG participated in 8 conferences and workshops in Southern, MD; Hanover, MD; Baltimore County, MD; Prince George’s County, MD; Baltimore City, MD; and Montgomery County, MD marketing MCBIF. MMG has also had meetings with bankers, accountants, economic development officials, and business groups promoting MCBIF.

Projected Performance for Calendar Year 2016

MMG requested \$3,500,000 for fiscal year 2016. The funds would be deployed throughout Maryland from deals obtained through the marketing efforts of MMG in similar manner to the \$5,500,000 of grant funding already awarded. MMG anticipates it will generate 17 transactions for approximately \$3,500,000 during the fiscal year.

Maryland Capital Enterprises (MCE)

MCE empowers businesses to grow, create jobs and generate wealth on Maryland's Eastern Shore and across the state. MCE offers businesses access to the resources they need to start or grow their business:

- Business Loans
- Business Education
- Business Consulting

MCE provides funding for small and micro businesses who wish to start or expand their businesses. They are the only micro-enterprise organization in the state of Maryland certified as SBA, USDA and CDFI Intermediary Lender.

MCE is funded through Federal and State grants, as well as private contributions, foundation funding and fundraising efforts.

MCE has assisted over 1,200 entrepreneurs, provided training to more than 2,200 individuals, made over 115 loans totaling over \$2.2 million.

MCE was approved to oversee the distribution of Maryland's funds from the Small, Minority and Women-Owned Business Account, which receives 1.5 percent of video lottery terminal revenue from Maryland casinos. MCE's allotment of \$1 million is distributed through its Casino Loan

Fund. Small businesses located within 10 miles of Ocean Downs and Maryland Live casinos and those located elsewhere in the MCE's service area may be eligible for small business loans of \$5,000 to \$50,000.

Program Performance Since Inception to June 30, 2014

MCE approved \$155,398.50 in VLT loans during the reporting period (July 2014-June 2015), bringing the total amount loaned from May 2013 through June 2015 to \$1,070,767.50. Of that amount, \$539,571 was loaned to businesses located in the target areas of Maryland Live Casino and Ocean Downs Casino and \$526,696.50 was loaned to businesses located outside of the ten-mile radius of those casinos.

For the reporting period of July 2014 through June 2015, four (4) of the nine (9) businesses were women-owned; six (6) were minority-owned; three (3) were businesses located on the Eastern Shore of Maryland; six (6) were located in the Baltimore area; and three (3) of the businesses were start-ups. Total fees charged were \$4,240.

The average loan size during this period was \$17,267 and the average to date is \$28,178, showing that MCE is primarily a micro-lender making loans under \$50,000.

MCE allows borrowers to pay closing fees out of the amount borrowed. This helps cash-strapped borrowers to afford the loan.

Interest earned from July 2014 through June 2015 was \$64,948.65 and for May 2013 through June 2015 was \$92,769.25.

To date, there are five accounts over 90 days past due for \$10,073.

MBE Participation

MCE met its contractually obligated MBE goals last year and has no further reporting requirements.

Marketing Outreach Efforts

Most of MCE's marketing was through newspaper articles, TV news reports and appearances, and networking. MCE has great relations with the media serving the Eastern Shore and the minority newspapers serving the Baltimore market. MCE continues to develop relations with the Baltimore mass media. The networking included participation in expos, workshops, businesses after hours, chambers of commerce meetings, etc.

MCE continues to use its webpage to market its loan funds and has a page there dedicated to the VLT fund. They also use blogging and a Facebook page, Twitter account, and LinkedIn account to promote the fund.

Projected Performance for Calendar Year 2015

MCE did not receive any funding in the second award round. However, MCE deployed all \$920,000 of its funding within the first year and made additional loans with principal repayments repaid back into the VLT Fund. They estimate that they will be able to lend the FY16 \$1,000,000 awarded within the next year.

Baltimore Development Corporation (BDC)

With a mission to retain and expand existing employers and attract new ones, BDC works collaboratively within City government, and with private partners, to deliver services that will help businesses grow and thrive throughout the city.

BDC's economic development and service expertise is applied to a broad range of activities. They are a liaison between business owners and City agencies advocating for the interests of Baltimore City employers. They work with business owners to shepherd private development projects through public processes saving time and mitigating expense. They are even developers, facilitating the reuse of publicly owned property for new and expanding businesses. BDC's job is to insure that Baltimore is meeting the needs of its business community, to the greatest extent possible, every day. To meet its goals, objectives and mission, BDC:

1. Focuses on increasing jobs and investment in Baltimore City by: expanding companies located in Baltimore, attracting new businesses to Baltimore, and retaining existing companies in Baltimore. To meet these objectives, BDC markets City resources, connects businesses with workforce resources, provides technical assistance, offers loan programs, manages tax incentives, and promotes opportunities for new and growing businesses.
2. Promotes a real estate development role for the City of Baltimore. BDC is a single-point-of-contact resource for any entity/person interested in real estate development projects. This responsibility encompasses: strategic planning; development assistance; negotiating the sale or lease of City-owned properties; expediting building permits; managing urban renewal plan areas and business parks; and other approvals, such as: City Council, Board of Estimates and Planning Commission actions. All of these activities stimulate development and expand the tax base while building on neighborhood strengths to promote the development of cultural and entertainment venues.
3. Promotes its Small Business Resource Center ("SBRC") which is responsible for the day-to-day management and coordination of services to small, minority, and women owned businesses in Baltimore City. SBRC is focused on the start-up, growth, support and development of these businesses through technical assistance, seminars, one-on-one counseling, expert training and coordination with various public and private organizations.
4. Revitalizes neighborhood commercial districts, supports small businesses, and fosters economic growth and job creation in Baltimore City focusing on the following activities: 1) retention and attraction of neighborhood-oriented retailers to Baltimore City 2) oversight of the Baltimore Main Streets (BMS) program; 3) administration of two financial incentive programs for small businesses: the Micro Loan and Facade Improvement Grant (FIG) programs; 4) provision of assistance to small businesses with public approvals; and 5) administration of the Retail Business District License (RBDL) program.

Purpose of BDC Managing Video Lottery Terminal

To target small, minority and women owned businesses and assist with financing, business acquisition; commercial real estate acquisition; the purchase of furniture, fixtures and equipment;

leasehold improvements, and working capital. By providing loans for these purposes, BDC has been able to assist four companies (three in Baltimore City and one in Baltimore County) expand their businesses, while growing employment.

Program Overview

Prospective applicants for BDC's VLT fund may qualify for a loan of between \$30,000 to \$300,000 for improvements to property and buildings, commercial real estate acquisition, furniture, fixtures and equipment purchases, and working capital.

Program Performance Since Inception to June 30, 2014

In June of 2014, Commerce awarded BDC the management of \$1 million in Video Lottery Terminal loan funds. BDC refers to this as its VLT Loan Program.

Since inception, July 2014, BDC approved and funded four (4) applicants totaling \$920,000. Of these applications, three (3) loans were funded in Baltimore City within the ten (10) mile radius of the Maryland Live Casino and the fourth loan was in Baltimore County, MD.

Of the four, one loan was to a woman owned business to assist in financing and upgrade in technology software; the second was to a manufacturer for the expansion of its business; the third was for the expansion of a restaurant; and the fourth was to a minority business to expand into the catering business. MBE/WBE loans accounted for 50% of the loans funded by BDC. On a combined basis, these businesses current employee count at funding was 106 total employees, with projected new jobs of 23, for a total job count of 129. Total capital investment was \$2.25 million. All closed loans are currently paying as agreed.

Income of the fund included fees and total interest of \$15,342.61. Fees earned were \$9,200 and interest income was \$6,142.61. Expenses for the fund totaled \$80,000. Major expense categories were start-up costs for software, some equipment, salaries, MBE/WBE services and other overhead costs.

To date, all the accounts in the portfolio are performing satisfactory with no accounts greater than 90 days past due, no transactions in default, and no charge offs.

MBE Participation

BDC spent \$6,500 with MBE subcontractors. The entire \$6,500 was paid to Milestone Associates for underwriting services.

Marketing and Outreach

To market BDC's VLT fund, BDC used its existing staff, which are calling on businesses daily and the Small Business Resource Center, which has daily contact with small, minority and women owned businesses. BDC also participated in numerous events, through its Small Business Resource Center to market the program.

Fund Balance

In its first round of funding, BDC was allocated \$1 million from the VLT fund. A total of \$920,000 was allocated to loans, and \$80,000 to expenses. As of June 30, 2015, the fund balance in the fund is \$32,000, which is comprised of loan repayments from the companies to which BDC made loans. BDC was recently approved for \$1,750,000 (Fiscal 2016) in new funding under the second round of VLT funding. BDC had a total of \$32,000 in loan availability as of June 30, 2015.

Future Deployment of Funds

BDC fully anticipates expending all of the funds that they anticipate receiving for FY 2016. These funds are planned for loans to businesses and would anticipate approximately 10 to 14 loans would be approved and funded, and possibly more depending on the average loan size.

Baltimore County Department of Economic and Workforce Development (DEWD)

The mission of DEWD is to support businesses and to stimulate business growth in Baltimore County thereby increasing job opportunities and expanding the tax base.

To accomplish its mission, DEWD:

- Works directly with new businesses that are interested in locating in Baltimore County and assists in the expansion of existing businesses
- Acts as a business liaison
- Focuses on redevelopment opportunities in the seventeen Commercial Revitalization Districts and the three designated Enterprise Zones
- Addresses workforce development needs of the County's business community
- Supports and promotes the County's Small Business Resource Center. The Center provides services to small, minority and woman-owned businesses including technical assistance, seminars and one-on-one counseling
- Provides financing assistance to county businesses
- Promotes technology development and assists start-up ventures at the UMBC and Towson University incubators

Program Performance Since Inception to June 30, 2015

In June of 2014, Commerce contracted the management of \$1,500,000 to DEWD.

The Boost Loan Program: Businesses in Maryland may qualify for a loan of between \$50,000 to \$250,000 for expenses such as commercial real estate acquisition and improvements, leasehold improvements, equipment, and working capital.

Since July 2014, twelve (12) applications were approved for financing totaling \$1,440,000. Of these applications, five (5) loans in the amount \$330,000 were deferred loans and seven (7) loans for \$1,110,000 were traditional loans. Seven (7) loans settled for \$1,000,000. Of the approved loans, 60% of total dollars were within the targeted area of the loan program. All approved loans were to small businesses with 72% of the loans provided to a woman, minority or veteran owned business. All settled loans are currently paying as agreed.

Income of the fund include fees and interest of \$25,795. Fees earned were \$12,850 and interest income was \$12,945. Expenses for the fund totaled \$39,703. Expense categories include marketing, preparation of CPA audited financial statements, and review of deferred loan applications by UMBC and Towson University. The expense related to the CPA audit is not included in the total expense figure outlined above, as the audit could not be performed until after June 30, 2015. The estimated cost of the audit is \$7,955.

To date, all the accounts in the portfolio are performing satisfactory with no accounts greater than 90 days past due, no transactions in default, and no charge offs.

MBE Participation

Baltimore County spent \$10,749 with Pinnacle Communications, its MBE subcontractor. The minimum amount required by the RFP is 10% of the total upfront expense fee. Based upon total expenses to date the expense relating to Pinnacle Communications represents 27% of the total expense category.

Marketing Outreach Efforts

To promote the Boost Fund, Baltimore County contracted with Pinnacle Communication, a certified MBE creative design marketing firm, to design the brand and collateral materials. DEWD' s marketing effort includes outreach to print, broadcast and online media outlets, online promotions through DEWD's social media channels, targeted to small businesses including minority and women business audiences. In promoting the Boost Fund, DEWD participated in numerous events, which include the Small Business Administration's information day in Harford County. As part of the outreach efforts on a statewide basis DEWD staff is in constant contact with Commerce regarding loan opportunities outside of Baltimore County. DEWD has responded to numerous media inquiries on the Boost loan program.

Fund Balance

Under the second round of VLT funding, Baltimore County was allocated \$1,500,000 from the VLT fund. A total of \$1,448,000 is allocated to loans, and \$52,000 to the upfront expense fee. As of June 30, 2015, Baltimore County closed seven (7) loans for \$1,000,000. Five loans are in various stages of settlement. As of June 30, 2015, \$39,703 of the upfront expense fees have been requested with \$34,518 received. Baltimore County was approved for \$1,600,000 in new

funding under the third round of VLT funding.

Future Deployment of Funds

The current pipeline for loans consists of four (4) applications totaling \$600,000. These applications are in various stages of the underwriting process. Baltimore County anticipates that it will use the entire \$1,600,000 in new funding that will be available in FY16. Baltimore County anticipates that at a \$1,600,000 funding level, the loan program will yield approximately twelve (12) transactions in FY16.

Howard County Economic Development Authority (“HCEDA”)

Performance of the Fund since Inception

In June 2014, Commerce contracted the management of \$1,500,000 to the HCEDA. HCEDA elected to name the fund the Catalyst VLT Fund. The allocation is 100% loans and 0% equity. All loans are term loans with a maximum maturity of 5 years.

For the period July 1, 2014 through June 30, 2015 HCEDA received interest income of \$11,825.86 and application and commitment and closing fees totaling \$15,420. Since inception through June 30, 2015, the Fund has been reimbursed \$120,000 for operating expenses.

To date, all the accounts in the portfolio are performing satisfactory with no accounts greater than 90 days past due, no transactions in default, and no charge offs.

MBE Participation

Since inception through June 30, 2015, the Fund has been reimbursed \$120,000 for operating expenses and has expended \$12,000 to one MBE sub-contractor, insight *180* Inc. for design, branding and marketing services. This amount exactly complies with the requirement of 10% of the 8% stand up fee to be set aside for MBE participation. In addition, \$3,216.50 was paid to Rapid Refill, also an MBE firm, for printing of marketing materials.

Marketing Outreach Efforts

The principal marketing venue for HCEDA Catalyst VLT Fund was through networking and speaking engagements throughout the region together with printed collateral material and webpage. HCEDA aligned with MDSBDC to sponsor the 2014-2015 *CEO Accelerator* and *Growth Accelerator* business education series held in Howard and Prince George’s Counties. HCEDA provided educational content in seven workshops and conferences in Columbia, MD, Ellicott City, MD, Frederick MD, and College Park, MD. HCEDA met individually with 10 regional bank representatives, economic development officials, SBDC Counselors, business groups and veteran business groups to promote the Catalyst VLT Fund.

HCEDA issued press releases for four loan recipients and engaged the County Executive with two loan recipients. HCEDA will continue to issue press coverage for Catalyst activity and awards.

Sponsorship of the MDSBDC *CEO Accelerator* and *Growth Accelerator* programs will continue in FY 2016 and will expand into the Fredrick and Montgomery region. In addition to this sponsorship, networking and educational content presentations will remain the main marketing vehicles for FY 2016.

Performance for Fiscal Year 2015

For the period July 1, 2014 through June 30, 2015, a total of nine (9) term loans were approved for \$1,380,000 to nine (9) companies. As of June 30, 2015, 8 of the loans settled and disbursed for \$1,242,000. Of these amounts, 75% were approved for Woman, Minority or Veteran Owned Small Business enterprises.

Minority Owned	\$609,000	44.13%
Woman Owned	\$171,000	12.39%
Veteran Owned (SDVOSB)	\$250,000	18.12%
Non-Minority	\$350,000	25.36%

Seven (7) loans totaling \$1,146,000 or 83% of loans fell within the targeted 10-miles zip code radius as defined by the contract service agreement with Commerce. The remaining two (2) loans were issued to businesses located within Maryland. Loans ranged in size between \$33,000 and \$250,000. Of the loans approved, three (3) were for start-up new business ventures and four (4) were for business expansion or growth for businesses operating for less than three (3) years. One of the eight loans disbursed 50% of proceeds at settlement and HCEDA expects to disburse the remaining 50% before August 30, 2015. Including this aforementioned partial disbursement, the total balance of committed but undisbursed loans is \$138,000 for two (2) borrowers. All proceeds will disburse prior to August 30, 2015.

Projected Performance for Fiscal Year 2016

Two (2) loans have been approved for FY 2016 totaling \$300,000 and there are four (4) applications in the pipeline at various stages of review and underwriting. These applications total \$750,000. HCEDA also utilizes an interest form or pre-application screening process in addition to the full application, and Catalyst Fund has received four (4) interest forms for \$425,000 in funding need. HCEDA will continue to allocate 100% of funds to conventional term loans and expects to commit the \$1,750,000 to approximately eleven (11) transactions that would be approved and closed during FY 2016.

Tri-County Council for Western Maryland, Inc. (TCCWMD)

TCCWMD is the regional, economic development-planning agency for the three counties in Western Maryland. Through its Comprehensive Economic Development Strategy (CEDS) planning process, TCCWMD annually conducts an analysis of economic problems and opportunities that address the region's economy, population, unemployment, geography, workforce, transportation, education, telecommunications, health care, and infrastructure.

TCCWMD's work program goals, as related to its lending programs, include:

- Increase job opportunities and per capita income in the region to reach parity with the nation,
- Strengthen the capacity of the people of region to compete in the global economy,
- Work directly with new and expanding businesses to provide referrals for technical assistance and access to capital in an effort to create and/or retain jobs
- Work closely with the Small Business Development Center to provide technical assistance to RLF clients
- Coordinate efforts with local banks and economic developers to ensure that companies that start-up or expand in the region are aware of the programs and assistance available
- Expand the TCCWMD Revolving Loan Fund's capacity through a diverse set of funding sources to achieve a variety of flexible funding tools

Traditionally, private financing for new business start-ups has been difficult for prospective businesses to obtain in the region. Flexibility is required to meet the diverse needs of target industries at different stages of growth and development. Local banks, which provide conventional financing, are often unable or unwilling to respond to the needs of new business start-ups, businesses wishing to expand, or those which must modernize existing buildings, equipment, or technology when there is not sufficient collateral to support the added debt.

Program Performance

On July 1, 2014, Commerce entered into a contract with TCCWMD to manage \$1,100,000 in funds from the Small, Minority and Women-Owned Business Account, with \$1,012,000 available for lending. On October 6, 2014, the first modification to the agreement was signed.

On November 7, 2014, the Tri-County Council Board amended its by-laws in order to permit a standing committee for reviewing loans under the VLT program. Shortly thereafter, a five-member committee was formed to review loans. The committee consists of two public sector representatives and three private sector representatives, all with wide knowledge of business practices, financial knowledge and lending experience.

Since the inception of the fund, TCCWMD has had 35 inquiries from across the State, but largely from Western Maryland. Of the 35 inquiries: 1 veteran owned, 14 women owned, 6 minority owned. Geographically: one (1) Garrett County, seventeen (17) Allegany County, thirteen (13) in the Targeted Area, eight (8) Washington County, and nine (9) from other areas of the state outside Western Maryland.

TCCWMD expected to have 3 loans totaling \$506,000 or 50% of the fund lent in order to be eligible to apply for FY 16 funds. The Council approved two loans in for \$610,000. TCCWMD received six applications for consideration totaling \$1,165,000. Two loans were denied for \$455,000 and as of June 30, 2015, two loans were pending for \$500,000.

In May 2015, one loan for a business located within the 10 mile "Targeted Area" surrounding Rocky Gap Casino was approved for \$400,000. In June 2015, the second loan was approved for a business located within the "Targeted Area" surrounding the Maryland Live Casino in Baltimore.

To date, all the accounts in the portfolio are performing satisfactory with no accounts greater than 90 days past due, no transactions in default, and no charge offs.

MBE Activity

Based upon the award amount of \$1,100,000 TCCWMD was given an 8% "establishment fee" or \$88,000. Based upon the response to the RFP, it was acknowledged that a minimum of 10% of the establishment fee, or \$8,800, would be awarded to state certified Minority Business Enterprises (MBE).

Due to the rural nature of Western Maryland there were very few certified MBEs to choose from that would benefit the objective with the VLT program. TCCWMD was able to locate Illume Communications, a certified MBE near Baltimore, and subcontracted with them to develop promotional and marketing materials. During the months of July through December 2014 the staff worked with this company and spent a total of \$11,035.

Additionally, Bontay Business Products was contracted to provide office supplies to meet the need of materials printed in-house. Bontay is also a certified MBE and located in Allegany County. During the month of December, the Council spent \$485 for those materials.

After the first 6 months of the contracted award, the Council had spent a total of **\$11,520** or 13% with State certified MBE's, exceeding the required expenditure by 3%. At the point the final MBE report was filed with Commerce for December 2014, the obligation had been fulfilled.

Illume Communications	\$ 11,035
Bontay Business Products	\$ 485
Total MBE	\$ 11,520

Marketing Outreach

The goal of the marketing program was to target specific rural areas of the state where access to capital was less available. The Council has targeted three geographic regions for marketing with an emphasis on the area surrounding Rocky Gap. Additional targeted areas included the remainder of Western Maryland, the areas surrounding Hollywood Casino in Perryville and the area surrounding Ocean Downs outside of Ocean City. The following methods were used to market the program:

Local news media printed articles announcing the awarding and availability of the funds.

1. TCCWMD bi-monthly newsletter reaching over 700 people several times
2. Presentations to local Chambers of Commerce
3. Meeting with local financial institutions and making presentation as well as leaving marketing materials
4. While the Council was already a member of the Allegany, Garrett and Washington County Chambers of Commerce, TCCWMD also joined the chambers located in Cecil County, Berlin, Ocean Pines and Ocean City. TCCWMD felt that in order to reach the

- business community in those outlying areas, marketing through the local Chambers of Commerce would provide the best visibility for limited funds.
5. Contracted with the seven Chambers to run several ads either online or in print to market the fund.
 6. The final method of marketing was to integrate the program with other lending programs and make the information available on TCCWMD's website.

Fund Balance

As of June 30, 2015, TCCWMD had obligated \$610,000 of the available \$1,012,000 or just over 60% of the funds. The remaining balance available for lending is currently \$402,000.

Future Development

Because this was the first year for TCCWMD to be awarded funds from the VLT program, it took a considerable amount of time for marketing materials and marketing efforts to reach the desired level. The majority of inquires that TCCWMD had was after December 2014 and the number continues to increase on a monthly basis.

TCCWMD's goal is to reach a critical mass of funds under management in order for the program to be financially sustainable. In order to do this TCCWMD would require future awards equaling or exceeding the current FY 14 allocation. Additionally TCCWMD feels that the demand for funds will far exceed the amount they will have available to lend. TCCWMD anticipates lending the remaining balance from FY 2015 as well as the additional funds awarded in FY 2016 (\$1,000,000) by the end of December 2015. By demonstrating the ability to make quality loans in the rural areas of the state, TCCWMD hopes that funding for FY 17 would be increased to meet that demand.

MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY
ANNE ARUNDEL VOLT FUND ACTIVITY

<u>Date Request Received</u>	<u>Disbursement Request</u>	<u>"EXPENSE FEE" Disbursement Request</u>	<u>"FUND" Disbursement Request</u>	<u>Fund Balance</u>	<u>Expense Fee Balance</u>	<u>MBE Subcontractor</u>	<u>Date</u>	<u>MBE Invoices Billed D-6</u>	<u>MBE Invoices Paid D-5</u>	<u>MBE Invoices Outstanding</u>
2/9/2015	\$510,000.00	\$0.00	\$510,000.00	\$1,589,200.00				MBE OBLIGATION IS SATISFIED		
2/12/2015	\$300,000.00	\$0.00	\$300,000.00	\$1,289,200.00						
5/19/2015	\$410,000.00	\$0.00	\$410,000.00	\$879,200.00						
	\$1,220,000.00	\$0.00	\$1,220,000.00					\$0.00	\$0.00	\$0.00

MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY
ANNE ARUNDEL VOLT FUND ACTIVITY

#	Account Name	County	Approved Date	Approved Transaction Amount	Amount Disbursed	MIBE Status	Targeted Area	Transaction Performance	Purpose/Use of Funds	Current Jobs	At Risk Jobs	New Jobs	Outcome
1	Quintaino Marketing, Inc.	Anne Arundel	8/4/2014	\$50,000	\$50,000	Women Owned	No	Satisfactory	Working Capital	7		10	Projected increase in sales through marketing, training and increase of workforce.
2	Magothy Technology, LLC	Anne Arundel	10/29/2014	\$238,000	\$0	Minority Owned	Yes	N/A	N/A				Rescinded
3	JAC Construction, Inc.	Anne Arundel	7/17/2014	\$50,000	\$50,000	Non-Minority Owned	No	Satisfactory	Working Capital	3		0	Projected improved cash flow by providing funds to cover accounts receivable.
4	TSZ Properties, Inc.	Howard	7/1/2014	\$100,000	\$100,000	Non-Minority Owned	Yes	Satisfactory	Property Improvements	6		6	Borrower built a new office and showroom which should help to increase revenues in the future.
5	Plant Sensory Systems, LLC	Baltimore County	2/2/2015	\$150,000	\$150,000	Non-Minority Owned	Yes	Satisfactory	Working Capital	7		1	Projected increase in revenue by continuing product development, expansion of IP portfolio, and for commercialization expenses.
6	Diagnostic Blochips	Howard	2/2/2015	\$150,000	\$150,000	Non-Minority Owned	Yes	Satisfactory	Working Capital	3		0	Projected revenue of \$674,778 by 2016.
7	RedShred	Baltimore County	2/2/2015	\$150,000	\$150,000		Yes	Satisfactory	Working Capital	3		2	Projected revenue of \$1,167,000 by 2016
8	Opia Holdings, Inc.	Baltimore City	2/2/2015	\$150,000	\$150,000	Non-Minority Owned	No	Satisfactory	Working Capital	5		2	Projected increase in revenue through accelerated product, hiring of one additional employee and developing a marketing campaign.
9	Severna Pharmaceuticals	Anne Arundel	2/13/2015	\$25,000	\$25,000	Non-Minority Owned	No	Satisfactory	Working Capital	2		5	Projected outcome of hiring of 2 additional employees and increase of revenue to \$660,000.
10	Motifworks, Inc.	Baltimore County	1/13/2015	\$250,000	\$250,000	Minority Owned	No	Satisfactory	Working Capital	2		4	Projected outcome of hiring of 6 new employees and increase revenue to \$1,800,000.
11	Edel's Bridal Boutique	Harford	12/9/2014	\$110,000	\$69,962	Minority Owned	Yes	Satisfactory	Start-up Funds	0		3	Start up business started with projected revenue of \$438,000 in the first year and hiring of 3 employees.
12	Mensch Makers, Inc.	Anne Arundel	12/9/2014	\$260,000	\$256,824	Women Owned	Yes	Satisfactory	Start Up Funds	0		12	Opening of new retail store with projected first year revenue of \$470,000 and hiring of 12 employees.
	Total			\$1,683,000	\$1,401,786					38	0	45	

**MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY**

MARYLAND CASINO BUSINESS INVESTMENT FUND

#	Account Name	County	Approved Date	Approved Transaction Amount	Amount Disbursed	MBE Status	Targeted Area	Transaction Performance	Purpose/Use of Proceeds	Current Jobs	At Risk Jobs	New Jobs	Outcome
1	SJK Enterprises, Inc.	Anne Arundel	9/12/2014	\$150,000	\$150,000	Non-Minority Owned	Yes	Satisfactory	Working Capital	4	4	3	A term loan was approved and settled. The funds were used to pay off several high interest leases, purchase equipment (weather proof covers) and provide working capital for marketing, advertising and cash flow. The term loan was approved and settled. The loan was used for the purpose of refinancing the Seller debt of two (2) existing life insurance agencies.
2	Johnson & Johnson Insurance Agency, LLC Civil Utility Construction Company, Inc.	Howard	10/23/2014	\$315,000	\$315,000	Minority Owned	Yes	Satisfactory	Working Capital	1	1	5	A term loan was approved and settled. The term loan was used to refinance higher interest loans to improve the company's cash flow.
3	Donna Stecker t/a Premier Safety Solutions	Harford	12/29/2014	\$220,000	\$220,000	Non-Minority Owned	Yes	Satisfactory	Working Capital	5	5	3	The term loan was approved and settled. The loan proceeds were used for the acquisition of a vehicle and working capital for marketing, inventory, adding a part time employee, and closing costs.
4	National Computer Service Consultants	Carroll	4/20/2015	\$40,000	\$40,000	Women Owned	No	Satisfactory	Working Capital	1	1	2	A term loan was approved and settled. The loan proceeds were used to refinance existing debt obligations and to provide some permanent working capital needs of the company.
5	Great Gourmet, The	Baltimore City	9/12/2014	\$150,000	\$150,000	Minority Owned	No	Satisfactory	Working Capital	18	18	5	A line of credit was approved and settled to provide working capital for the company to perform on its existing contracts and expand its e-commerce business.
6	L & J Waste Recycling, LLC	Caroline	7/14/2014	\$100,000	\$100,000	Women Owned	No	Satisfactory	Working Capital	21	21	5	The term loan was approved and settled. The loan was used to pay an outstanding landfill bill, purchase new equipment, furniture, fixtures and leasehold improvements as the company expands into a new nearby facility that will be used to store vehicles and provide mechanical services for its own vehicles and its clients.
7	Drop-In Child Care Center, LLC dba The Drop Zone	Baltimore City	2/13/2015	\$250,000	\$250,000	Minority Owned	Yes	Satisfactory	Working Capital	16	20	4	A term loan was approved and settled. The loan was used for the day care's permanent working capital needs.
8	Odyssey Technologies, Inc.	Charles Anne Arundel	2/9/2015	\$50,000	\$49,000	Minority Owned	No	Satisfactory	Working Capital	2	2	5	The line of credit was approved and settled. The line of credit is used to finance its accounts receivable.
9	Hanson Homecare, Inc.	Prince George's	2/9/2015	\$150,000	\$150,000	Women Owned	Yes	Satisfactory	Working Capital	75	75	5	The term loan was approved and settled. The loan was used to refinance and consolidate existing debt that saved the company approximately \$10,688 a year.
10	Blessing Groups of Company, Inc. dba Perfect Care Learning Center	Baltimore City	3/11/2015	\$35,000	\$35,000	Minority Owned	No	Satisfactory	Working Capital	1	1	2	The term loan was approved and settled. The loan was used for the acquisition of playground equipment and working capital for marketing, renovation expenses, rent deposit, employee payroll, and closing costs.
11	Integrata, Inc.	Howard	2/13/2015	\$300,000	\$154,076	Minority Owned	Yes	Satisfactory	Working Capital/Inventory	3	3	15	The term loan was approved and settled. The loan was used to assist in the inventory, operational expenses and product development needs to begin generating revenue from its cyber security product.
12	Vonika Juice, LLC	Montgomery	1/22/2015	\$185,000	\$185,000	Minority Owned	No	Satisfactory	Working Capital/Fixed Asset	0	10	10	The term loan was approved and closed. The loan was used to open a retail organic juice and smoothie store at the newly developed Downtown Crown development in Galtherburg, MD.
13	Oakmont Contracting, LLC	Howard	12/1/2014	\$150,000	\$0	Minority Owned	Yes	Satisfactory	Working Capital	1	1	8	A line of credit was approved, but not settled. The borrower did not sign the commitment letter. The approval expired.
14	Capitol Concrete & Landscaps, LLC	Howard	1/12/2015	\$63,000	\$55,000	Minority Owned	Yes	Satisfactory	Working Capital	1	2	1	The term loan was approved and settled. The loan was used for the acquisition of 2 used Tilt-Axle Trucks and working capital needs of the commercial construction hauling company.
15	CRWI, LLC	Harford	4/22/2015	\$10,000	\$10,000	Minority Owned	Yes	Satisfactory	Working Capital	5	5	10	The line of credit was approved and settled. The line of credit is used to finance the company's accounts receivable.
16	Dylan's Oyster Cellar, LLC	Baltimore City	4/13/2015	\$125,000	\$0	Non-Minority Owned	No	Satisfactory	Working Capital	0	0	10	The loan will be used to assist in the opening of a restaurant in Baltimore, MD.
17	Espo Mark, LLC	Montgomery	7/23/2014	\$250,000	\$0	Women Owned	Yes	Satisfactory	Working Capital	43	43	11	The borrower did not sign the commitment letter. The approval expired. The company sought other financing options. (Rescinded)
	Total			\$2,843,000	\$2,163,076				Working Capital	204	219	104	

MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY
MARYLAND CAPITAL ENTERPRISE VLT FUND

#	Account Name	County	Approved Date	Approved Transaction Amount	Amount Disbursed	MBE Status	Targeted Area	Transaction Performance	Purpose/Use of Funds	Current Jobs	At Risk Jobs	New Jobs	Outcome
1	Paula K. Green & Associates, Inc.	Somerset	11/10/2014	\$5,000	\$5,000	Women Owned	No	Satisfactory	Kiosk Build Out and Closing Costs	1	4	3	Start up business in Annapolis Mall.
2	I Heart Crepes	Anne Arundel	7/25/2014	\$25,000	\$25,000	Minority Owned	No	Satisfactory	Inventory/Working Capital/Closing Costs	3	4	1	Expanding current Auto Service Business
3	Reeven's Auto Service, LLC	Wicomico	9/26/2014	\$10,000	\$10,000	Minority Owned	No	Satisfactory					Existing property management business in Baltimore. Needed additional money to continue getting their name out to the public
4	Property Management, Inc.	Baltimore County	11/21/2014	\$12,000	\$12,000	Non-Minority Owned	No	Satisfactory	Marketing/Advertising/Closing Costs	30	30	0	
5	New Horizons	Baltimore City	10/24/2014	\$6,399	\$6,399	Minority Owned	Yes	Satisfactory	Working Capital	0		1	
6	Tabor Ethiopian Cuisine	Baltimore City	9/26/2014	\$242,000	\$242,000	Minority Owned	Yes	Satisfactory	Purchase building	6	0	0	
7	Subway	Talbot	2/27/2015	\$50,000	\$50,000	Minority Owned	No	Satisfactory	Working Capital/Construction Cost	0	0	10	
8	Studio 7 The Salon, LLC	Baltimore City	7/25/2014	\$50,000	\$50,000	Women Owned	Yes	Satisfactory	FF&E/Working Capital, Insurance, Rent, Closing Costs	8	10	2	Expanding and Upgrading and existing Hair Salon
9	MidAtlantic Transportation, Inc.	Wicomico	3/27/2015	\$5,000	\$5,000	Minority Owned	No	Satisfactory	Purchase School Bus & Closing Costs	1	2	1	Purchase an additional School Bus and hired another driver.
	Total			\$405,399	\$405,399					49	50	18	

MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY
BALTIMORE DEVELOPMENT CORPORATION

#	Account Name	County	Approved Date	Approved Transaction Amount	Amount Disbursed	MBE Status	Targeted Area	Transaction Performance	Purpose/Use of Funds	Current Jobs	At Risk Jobs	New Jobs	Outcome
1	Marlin Steel Wire Products LLC	Baltimore City	12/8/2014	\$250,000	\$250,000	Non-Minority Owned	Yes	Satisfactory	Upgrade electrical systems	29	29	6	Borrower is a manufacturer. Needed funds to upgrade electrical for expansion and growth of company
2	Charm City Concierge	Baltimore City	12/8/2014	\$200,000	\$200,000	Women Owned	Yes	Satisfactory	Equipment & Software	49	49	4	Customer used funds to upgrade equipment and software to assist in growth and efficiency
3	Havana Management, Inc	Baltimore City	12/8/2014	\$300,000	\$300,000	Non-Minority Owned	Yes	Satisfactory	To expand kitchen and deck area	25	25	5	Borrower used funds for expansion of kitchen and outdoor deck area to increase restaurant capacity.
4	GPT, LLC	Baltimore County	4/13/2015	\$170,000	\$170,000	Minority Owned	No	Satisfactory	Purchase Real Estate	20	20	8	Borrower purchased additional real estate to use for catered events for his restaurant. Expectation is for business growth as a result
	Total			\$920,000	\$920,000					123	123	23	

MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY
BALTIMORE COUNTY

#	Account Name	County	Approved Date	Approved Transaction Amount	Amount Disbursed	MBE Status	Targeted Area	Transaction Performance	Purpose/Use of Funds	Current Jobs	At Risk Jobs	New Jobs	Outcome
1	Oak Creek Cafe	Baltimore County	8/22/2014	\$250,000	\$250,000	Non-Minority Owned	Yes	Satisfactory	real estate acquisition	10	10	25	Opening of a new restaurant
2	Amethyst Technologies, LLC	Baltimore County	11/20/2014	\$100,000	\$100,000	Minority Owned	Yes	Satisfactory	working capital	15	0	5	Expansion of export services
3	ServPro/Restorations By Rupp	Baltimore County	8/28/2014	\$100,000	\$100,000	Non-Minority Owned	No	Satisfactory	Real Estate Acquisition	2	2	23	Expansion of the business
4	Aegis Mechanical	Baltimore County	9/19/2014	\$200,000	\$200,000	Veteran Owned	Yes	Satisfactory	working Capital	25	0	2	Expansion of business
5	Michele's Granola	Baltimore County	8/22/2014	\$250,000	\$250,000	Women Owned	No	Satisfactory	Building Improvements	12	0	24	New and expanded manufacturing facility
6	Light Point Security	Baltimore County	3/9/2015	\$105,000	\$0	Minority Owned	Yes	Satisfactory	working Capital	4	0	3	Expansion of the business
7	Lessoncast Learning	Baltimore City	3/9/2015	\$50,000	\$50,000	Women Owned	No	Satisfactory	Working Capital	3	0	5	Expansion of the business
8	Airphoton, LLC.	Baltimore County	3/9/2015	\$50,000	\$50,000	Minority Owned	Yes	Satisfactory	working capital	5	0	1	business expansion
9	Cycles West	Baltimore County	5/5/2015	\$60,000	\$0	Non-Minority Owned	Yes	Satisfactory	working capital	10	0	5	business expansion
10	RedShred	Baltimore County	3/9/2015	\$100,000	\$100,000	Minority Owned	Yes	Satisfactory	working capital	2	0	4	business expansion
11	Allovie	Baltimore City	3/9/2015	\$25,000	\$25,000	Women Owned	Yes	Satisfactory	working capital	8	0	4	expansion of the business
12	Vac Pac	Baltimore City	3/9/2015	\$150,000	\$0	Women Owned	No	Satisfactory	Real Estate Acquisition	25	25	5	Expansion of a manufacturing facility
	Total			\$1,440,000	\$1,125,000					121	37	106	

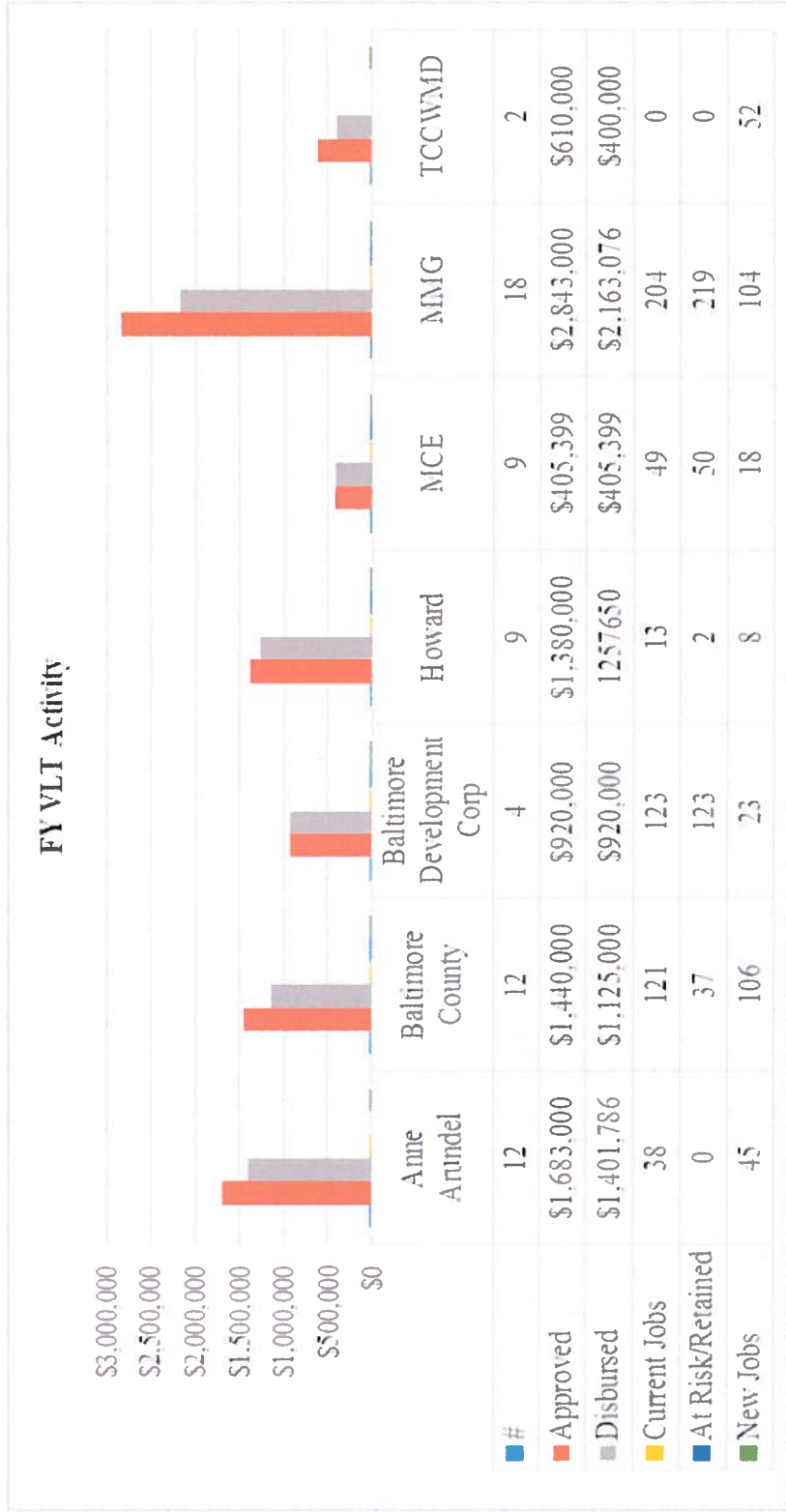
**MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY
HOWARD COUNTY**

#	Account Name	County	Approved Date	Approved Transaction Amount	Amount Disbursed	MBE Status	Targeted Area	Transaction Performance	Purpose/Use of Funds	Current Jobs	At Risk Jobs	New Jobs	Outcome
1	The Still Point Spa	Prince George's	11/25/2014	\$85,000	\$84,150	Women Owned	No	Satisfactory	Portion of larger \$870K financing to acquire commercial property in Takoma Park to expand business from leased to owner occupied building				Acquisition completed and renovation completed. Anticipate relocation of business by end of September 2015.
2	The Children's Spot	Howard	11/5/2014	\$53,000	\$53,000	Women Owned	Yes	Satisfactory	Acquire equipment and make tenant improvements in larger space to be leased to expand practice	3		2	Company relocated and did grand opening in May 2015. Relocation allowed company to add services and 1099 staff. Lease executed and construction almost completed with center slated to open within 45 days. New staff added to run day to day operations.
3	Sinergy Educare LLC	Montgomery	1/15/2015	\$149,000	\$149,000	Minority Owned	No	Satisfactory	Fund a portion of TI at new commercial space in Silver Spring	2	0	2	
4	BTS Software Solutions LLC	Howard	2/4/2015	\$250,000	\$250,000	Veteran Owned	Yes	Satisfactory	Working capital support to fund growth and provide capital				
5	Vedic Spa LLC	Howard	3/12/2015	\$210,000	\$105,000	Minority Owned	Yes	Satisfactory	Working capital and TI funding to allow company to expand from SOHO to leased commercial space				Company executed lease for commercial space and is nearing grand opening of new service business
6	Manor Hill Farm LLC	Howard	8/5/2014	\$100,000	\$100,000	Non-Minority Owned	Yes	Satisfactory	Fund a portion of equipment costs for new business				Equipment installed and business open and operating.
7	Epitaxial Technologies, LLC	Baltimore County	10/7/2014	\$250,000	\$250,000	Minority Owned	Yes	Satisfactory	Allow company to relocate into permanent commercial space from incubator	6		4	Company moved into leased commercial space in Howard County and continues to fund its product testing with NorthrupGrumman
8	Integrata Security	Harford	10/7/2014	\$250,000	\$250,000	Non-Minority Owned	Yes	Satisfactory	Provide working capital to firm during product development and pre-market launch				Company opened leased office in Columbia and hired additional staff.
9	Life Safety Consortium LLC	Anne Arundel	5/6/2015	\$33,000	\$16,500	Women Owned	Yes	Satisfactory	Working capital to support marketing plan. Trade show attendance to promote business within industry	2	2		
	Total			\$1,380,000	\$1,257,650					13	2	8	

MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY
TRI COUNTY COUNCIL OF WESTERN MARYLAND

#	Account Name	County	Approved Date	Approved Transaction Amount	Amount Disbursed	MBE Status	Targeted Area	Transaction Performance	Purpose/Use of Funds	Current Jobs	At Risk Jobs	New Jobs	Outcome
1	Allegany Grove Properties	Allegany	5/5/2015	\$400,000	\$400,000	Minority Owned	Yes	Satisfactory	Required upgrades to the storm water management plan which resulted in site improvement cost increases and for construction overruns.	0	0	40	The primary bank could not increase their loan amount to cover these additional expenses due to LTV limits. TCCWMD's financing addressed the shortfall to get the project to completion which will result in the hotel opening in October 2015
2	VR Legacy, Inc.	Howard	6/3/2015	\$210,000	\$0	Women Owned	Yes	Satisfactory	Leasehold Improvements, Equipment Purchase and Working Capital	0	0	12	The total project is \$305,000 with TCCWMD committing \$210,000 and the client contributing \$95,000 in owner equity to open 188 Fine Men's Salon
	Total			\$610,000	\$400,000					0	0	52	

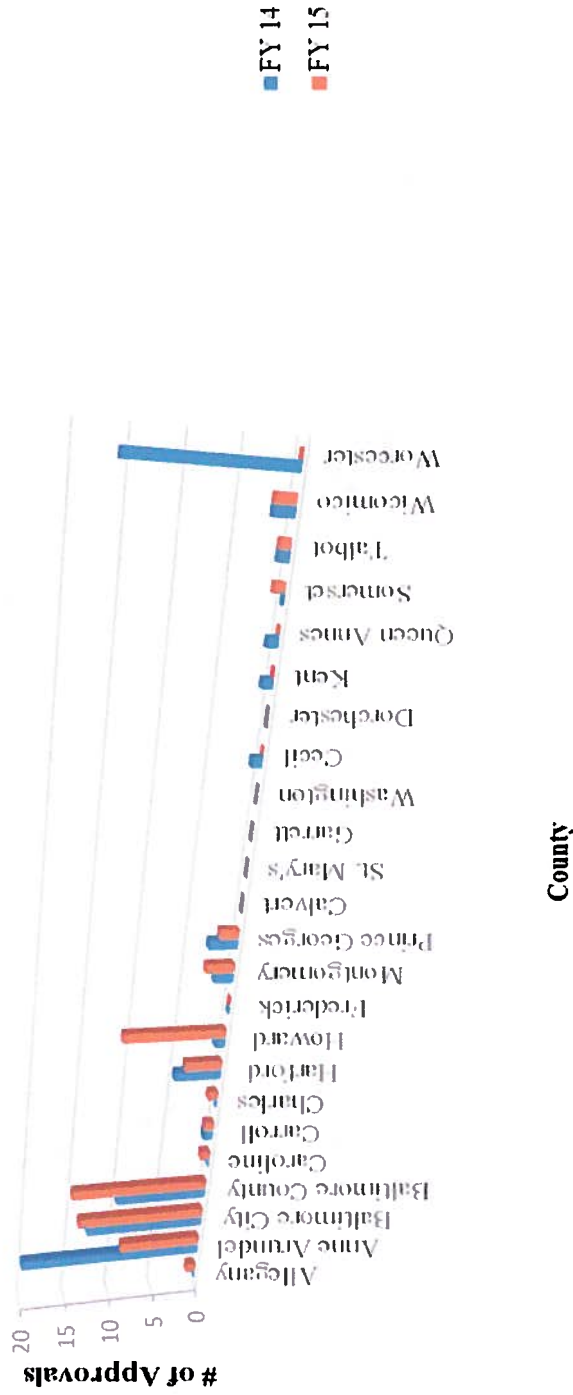
MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY



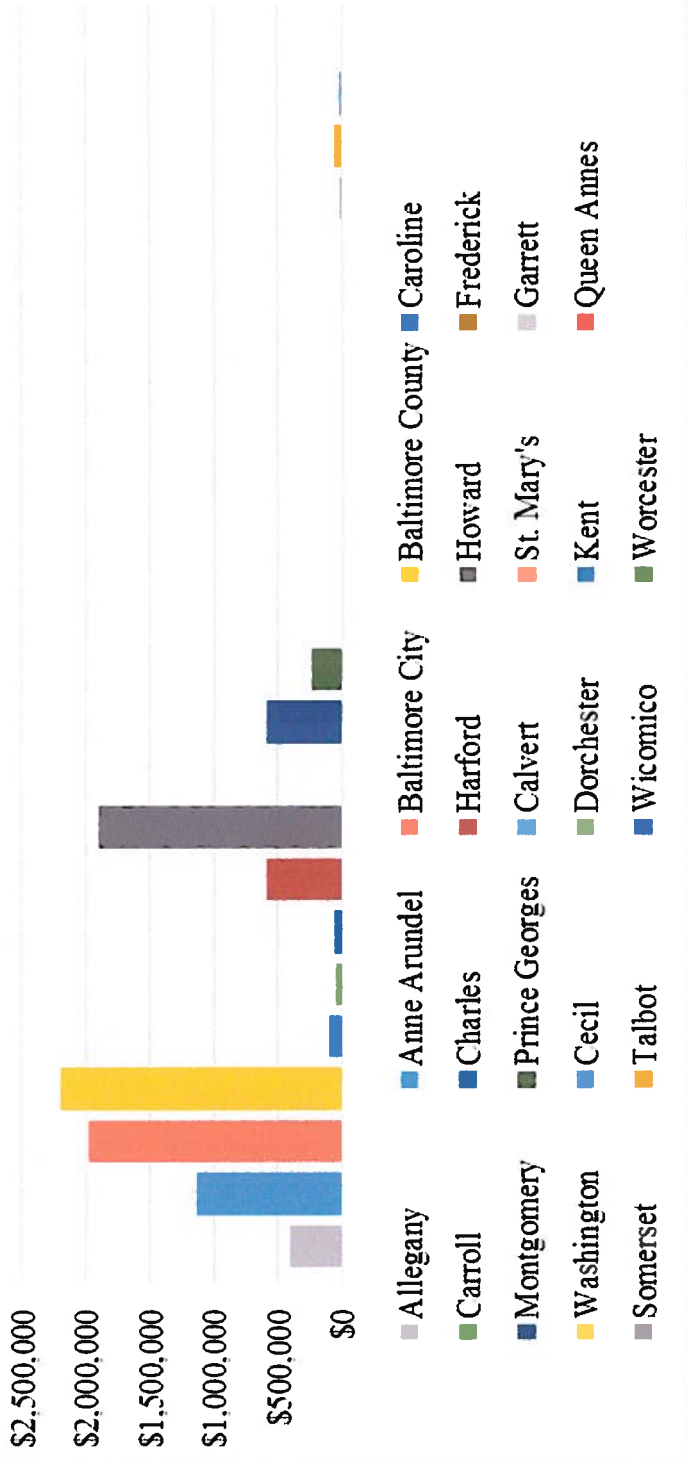
MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY

COUNTY DISTRIBUTION BY NUMBER OF APPROVED VLT FY14 & FY15

Approvals by County FY14 & FY15

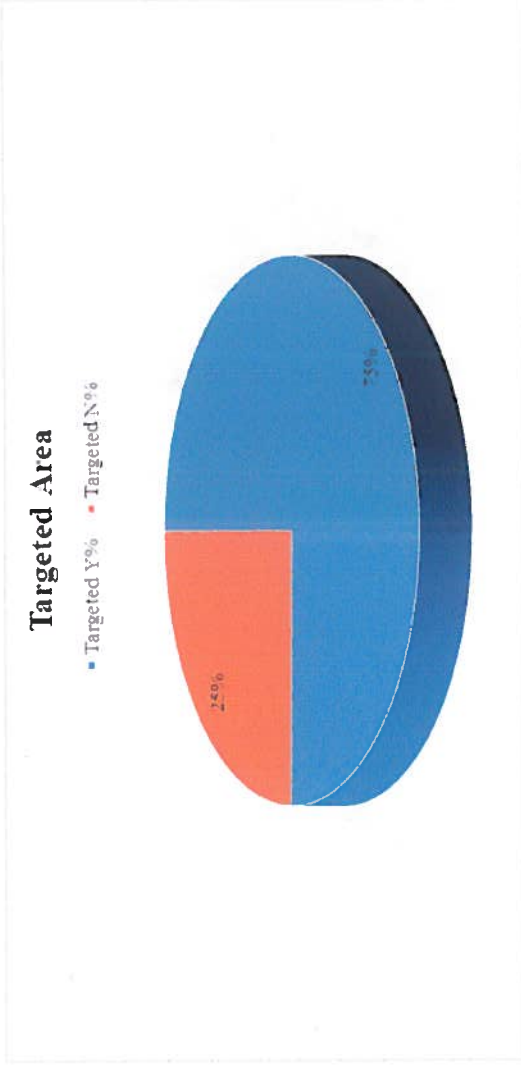


Dollars Approved by County FY 15

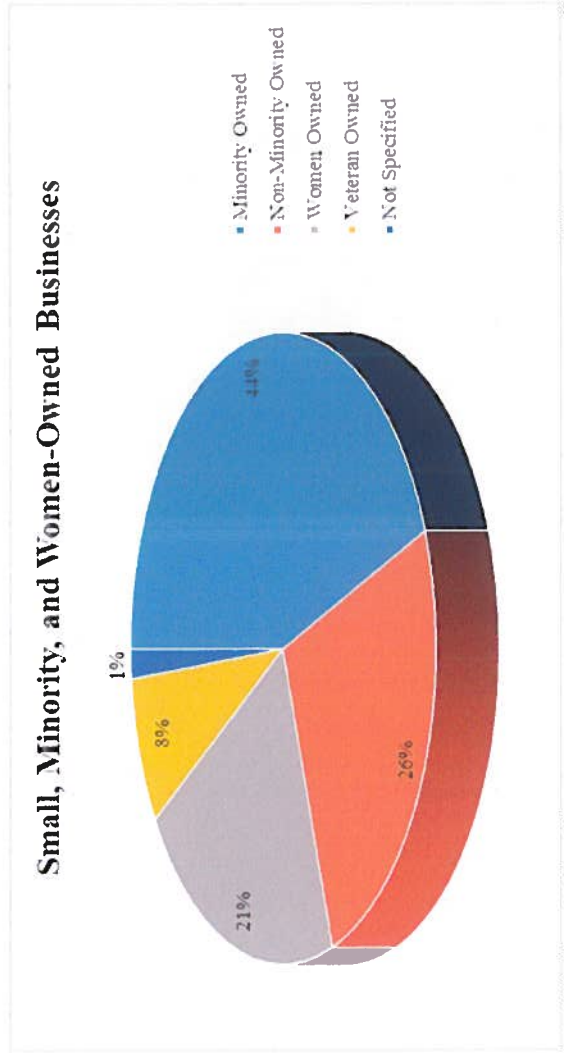


MARYLAND DEPARTMENT OF COMMERCE
FUND MANAGER ACTIVITY

TARGETED BUSINESS ACTIVITY



Small, Minority, and Women-Owned Businesses



DEPARTMENT OF COMMERCE
AFFIDAVITS

SMALL, MINORITY, AND WOMEN-OWNED BUSINESS INVESTMENT ACCOUNT-
VIDEO LOTTERY TERMINAL
State Government Article Section 9-1A-35


AFFIDAVIT IN SUPPORT OF ANNUAL FINANCIAL STATUS REPORT
FOR VIDEO LOTTERY TERMINAL ACCOUNT SECTION 9-1A-27(a)(6)

I, Stephen Primosch, hereby swear and affirm that:

- 1) I am over the age of 18 years old and am competent to testify as to the matters herein.
- 2) I am the Vice President, Financial Services of the Anne Arundel Economic Development Corporation.
- 3) As Vice President I have authority to execute this Affidavit on behalf of Anne Arundel Economic Development Corporation.
- 4) As Vice President, I have personal knowledge of and have reviewed the VOLT Fund accounting records that were used in preparing (The VOLT Fund) Annual Financial Status Report for the Video Lottery Terminal Account Section 9-1A-27(a)(6).
- 5) To the best of my knowledge, information, and belief, Anne Arundel Economic Development Corporation accounting records are true and were prepared accordance with Generally Accepted Accounting Principles (GAAP).

I SWEAR AND AFFIRM THAT THE FOREGOING STATEMENTS AND REPRESENTATIONS ARE TRUE, ACCURATE, AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

DATE: 7/27/15 Anne Arundel Economic Development Corporation


Stephen Primosch, Vice President

DEPARTMENT OF COMMERCE
AFFIDAVITS

SMALL, MINORITY, AND WOMEN-OWNED BUSINESS INVESTMENT ACCOUNT-
VIDEO LOTTERY TERMINAL
State Government Article Section 9-1A-35

**AFFIDAVIT IN SUPPORT OF ANNUAL FINANCIAL STATUS REPORT
FOR VIDEO LOTTERY TERMINAL ACCOUNT SECTION 9-1A-27(a)(6)**

I, Timothy L. Smoot, hereby swear and affirm that:

- 1) I am over the age of 18 years old and am competent to testify as to the matters herein.
- 2) I am the Sr. Vice President of Meridian Management Group, Inc. dba Maryland Casino Business Investment Fund (MCBIF).
- 3) As Sr. Vice President, I have authority to execute this Affidavit on behalf of MCBIF.
- 4) As Sr. Vice President, I have personal knowledge of and have reviewed MCBIF's accounting records that were used in preparing MCBIF's Annual Financial Status Report for the Video Lottery Terminal Account Section 9-1A-27(a)(6).
- 5) To the best of my knowledge, information, and belief, MCBIF's accounting records are true and were prepared accordance with Generally Accepted Accounting Principles (GAAP).

I SWEAR AND AFFIRM THAT THE FOREGOING STATEMENTS AND REPRESENTATIONS ARE TRUE, ACCURATE, AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

DATE: 7/31/15

**Meridian Management Group, Inc. dba
Maryland Casino Business Investment Fund
(MCBIF)**


Timothy L. Smoot, Sr. Vice President

DEPARTMENT OF COMMERCE
AFFIDAVITS

SMALL, MINORITY, AND WOMEN-OWNED BUSINESS INVESTMENT ACCOUNT-
VIDEO LOTTERY TERMINAL
State Government Article Section 9-1A-35

AFFIDAVIT IN SUPPORT OF ANNUAL FINANCIAL STATUS REPORT
FOR VIDEO LOTTERY TERMINAL ACCOUNT SECTION 9-1A-27(a)(6)

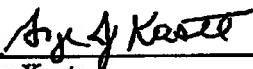
I, GEORGE J. KOSTE, hereby swear and affirm that:

- 1) I am over the age of 18 years old and am competent to testify as to the matters herein.
- 2) I am the Executive Director of Maryland Capital Enterprises, Inc.
- 3) As Executive Director, I have authority to execute this Affidavit on behalf of Maryland Capital Enterprises, Inc.
- 4) As Executive Director, I have personal knowledge of and have reviewed Maryland Capital Enterprises, Inc.'s accounting records that were used in preparing Maryland Capital Enterprises, Inc.'s Annual Financial Status Report for the Video Lottery Terminal Account Section 9-1A-27(a)(6).
- 5) To the best of my knowledge, information, and belief, Maryland Capital Enterprises, Inc.'s accounting records are true and were prepared accordance with Generally Accepted Accounting Principles (GAAP).

I SWEAR AND AFFIRM THAT THE FOREGOING STATEMENTS AND REPRESENTATIONS ARE TRUE, ACCURATE, AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

DATE: JULY 27, 2015

MARYLAND CAPITAL ENTERPRISES, INC.



George Koste
Executive Director
P.O. Box 213
144 East Main Street
Salisbury, MD 21803
(410) 546-1900

DEPARTMENT OF COMMERCE
AFFIDAVITS

SMALL, MINORITY, AND WOMEN-OWNED BUSINESS INVESTMENT ACCOUNT-
VIDEO LOTTERY TERMINAL
State Government Article Section 9-1A-35

AFFIDAVIT IN SUPPORT OF ANNUAL FINANCIAL STATUS REPORT
FOR VIDEO LOTTERY TERMINAL ACCOUNT SECTION 9-1A-27(a)(6)

I, JEFFREY P. PILLAS, hereby swear and affirm that:

- 1) I am over the age of 18 years old and am competent to testify as to the matters herein.
- 2) I am the Vice President of City of Baltimore Development Corporation.
- 3) As Vice President, I have authority to execute this Affidavit on behalf of City of Baltimore Development Corporation.
- 4) As Vice President, I have personal knowledge of and have reviewed Video Lottery Terminal Fund ("VLT") accounting records that were used in preparing VLT Fund Annual Financial Status Report for the Video Lottery Terminal Account Section 9-1A-27(a)(6).
- 5) To the best of my knowledge, information, and belief, City of Baltimore Development Corporation accounting records are true and were prepared accordance with Generally Accepted Accounting Principles (GAAP).

I SWEAR AND AFFIRM THAT THE FOREGOING STATEMENTS AND REPRESENTATIONS ARE TRUE, ACCURATE, AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

DATE: July 8, 2015

CITY OF BALTIMORE DEVELOPMENT
CORPORATION


By: Jeffrey P. Pillas
Vice President

DEPARTMENT OF COMMERCE
AFFIDAVITS

SMALL, MINORITY, AND WOMEN-OWNED BUSINESS INVESTMENT ACCOUNT-
VIDEO LOTTERY TERMINAL
State Government Article Section 9-1A-35

**AFFIDAVIT IN SUPPORT OF ANNUAL FINANCIAL STATUS REPORT
FOR VIDEO LOTTERY TERMINAL ACCOUNT SECTION 9-1A-27(a)(6)**

I, Fred Homan, hereby swear and affirm that:

- 1) I am over the age of 18 years old and am competent to testify as to the matters herein.
- 2) I am the Administrative Officer of Baltimore County, Maryland, a body corporate and politic and a political subdivision of the State of Maryland.
- 3) As Administrative Officer, I have authority to execute this Affidavit on behalf of Baltimore County, Maryland.
- 4) As Administrative Officer, I have personal knowledge of and have reviewed Baltimore County Boost Fund accounting records that were used in preparing the Baltimore County Boost Fund Annual Financial Status Report for the Video Lottery Terminal Account Section 9-1A-27(a)(6).
- 5) To the best of my knowledge, information, and belief, Baltimore County, Maryland accounting records are true and were prepared accordance with Generally Accepted Accounting Principles (GAAP).

I SWEAR AND AFFIRM THAT THE FOREGOING STATEMENTS AND REPRESENTATIONS ARE TRUE, ACCURATE, AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

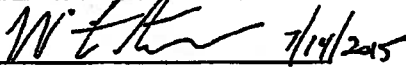
DATE: 7-31-15

BALTIMORE COUNTY, MARYLAND


By:


Fred Homan
Administrative Officer

REVIEWED AND APPROVED:


Will Anderson, Director
Department of Economic and
Workforce Development

REVIEWED AND APPROVED:


Keith Dorsey, Director
Office of Budget and Finance

APPROVED FOR FORM AND LEGAL SUFFICIENCY


OFFICE OF THE COUNTY ATTORNEY

DEPARTMENT OF COMMERCE
AFFIDAVITS

SMALL, MINORITY, AND WOMEN-OWNED BUSINESS INVESTMENT ACCOUNT-
VIDEO LOTTERY TERMINAL
State Government Article Section 9-1A-35

AFFIDAVIT IN SUPPORT OF ANNUAL FINANCIAL STATUS REPORT
FOR VIDEO LOTTERY TERMINAL ACCOUNT SECTION 9-1A-27(a)(6)

I, hereby swear and affirm that:

- 1) I am over the age of 18 years old and am competent to testify as to the matters herein.
- 2) I am the Chief Executive Officer ("CEO") of Howard County Economic Development Authority ("HCEDA").
- 3) As CEO, I have authority to execute this Affidavit on behalf of HCEDA.
- 4) As CEO of HCEDA, I have personal knowledge of and have reviewed Catalyst VLT Loan Fund accounting records that were used in preparing HCEDA's Annual Financial Status Report for the Video Lottery Terminal Account Section 9-1A-27(a)(6).
- 5) To the best of my knowledge, information, and belief, HCEDA accounting records are true and were prepared accordance with Generally Accepted Accounting Principles (GAAP).

I SWEAR AND AFFIRM THAT THE FOREGOING STATEMENTS AND REPRESENTATIONS ARE TRUE, ACCURATE, AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

DATE: 8/7/15

Lawrence F. Twele
Chief Executive Officer
Howard County Economic
Development Authority


Signature

DEPARTMENT OF COMMERCE
AFFIDAVITS

SMALL, MINORITY, AND WOMEN-OWNED BUSINESS INVESTMENT ACCOUNT-
VIDEO LOTTERY TERMINAL
State Government Article Section 9-1A-35

AFFIDAVIT IN SUPPORT OF ANNUAL FINANCIAL STATUS REPORT
FOR VIDEO LOTTERY TERMINAL ACCOUNT SECTION 9-1A-27(a)(6)

I, Guy Winterberg, hereby swear and affirm that:

- 1) I am over the age of 18 years old and am competent to testify as to the matters herein.
- 2) I am the Assistant Director of Tri-County Council for Western Maryland, Inc.
- 3) As Assistant Director, I have authority to execute this Affidavit on behalf of Tri-County Council for Western Maryland, Inc.
- 4) As Assistant Director, I have personal knowledge of and have reviewed the VLT/Tri-County Council accounting records that were used in preparing VLT Annual Financial Status Report for the Video Lottery Terminal Account Section 9-1A-27(a)(6).
- 5) To the best of my knowledge, information, and belief Tri-County Council for Western Maryland, Inc. accounting records are true and were prepared accordance with Generally Accepted Accounting Principles (GAAP).

I SWEAR AND AFFIRM THAT THE FOREGOING STATEMENTS AND REPRESENTATIONS ARE TRUE, ACCURATE, AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

DATE: 7/30/15

**Tri-County Council for Western
Maryland, Inc.**



Guy Winterberg
Assistant Director
Tri-County Council for WMD, Inc.
1 Technology Drive, Suite 1000
Frostburg, MD 21532
301 689-1300